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THE WEATHER — PARIS: Tuesday, cloudy, showers. Temp. 12-17 (53-63). Wednesday, similar. LONDON: Tuesday, showers. Temp. 11-15 (52-59). Wednesday, similar. CHANNEL: Rough. BOMBE: Tuesday, rain. Temp. 16-20 (61-68). NEW YORK: Tuesday, showers. Temp. 16-22 (61-72).

ADDITIONAL WEATHER — COMICS PAGE

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PARIS, TUESDAY, JULY 4, 1978

Established 1887

Peking Cuts Aid to Hanoi Over Chinese in Vietnam

TOKYO, July 3 (AP) — China announced today that it has halted all aid to Vietnam and recalled Chinese technicians working there because Hanoi has "stepped up its anti-Chinese activities and ostracism of Chinese residents in Vietnam."

It was reported from Vietnam, meanwhile, that 250,000 Chinese in Ho Chi Minh City (formerly Saigon) have applied to board Chinese ships standing by to repatriate them. But a Japanese report quoted Vietnamese officials as saying that many have decided to withdraw their applications.

The Chinese announcement, made in an official Chinese news agency dispatch received here, was

the latest move in an increasingly heated political conflict between the two Communist neighbors.

They are at odds over alleged mistreatment of Vietnam's Chinese minority, Chinese support for Cambodia in that country's border war with Vietnam, and Soviet influence in Vietnam.

Brezhnev Support

The Soviet Communist Party newspaper Pravda reported today that President Leonid Brezhnev had sent a telegram to the Vietnamese leadership assuring it of "resolute support from Moscow against 'attacks and blackmail' an apparent reference to the border war and to Chinese pressure.

A radio broadcast today by Cambodia claimed that Vietnamese forces in the border war are hampered by a supply shortage and morale problems, and that Vietnamese were fleeing the country to avoid the military draft for the Cambodian front.

The Chinese news agency said that Peking sent the Hanoi government a note saying Vietnam's actions had "created a foul atmosphere of vilifying and inciting antagonism against China and destroyed the minimum conditions required for the continued stay of Chinese experts in Vietnam to carry on the aid projects."

China previously had suspended part of its aid to Vietnam, reported to total \$14 billion in 20 years.

Consulates Closing

Last month, China ordered Vietnam to close its consulates in three southern Chinese cities. Japanese reports said that the consulates began closing during the weekend and staff members were returning home.

Peking says that more than 130,000 "persecuted" Chinese have fled Vietnam for China in recent months. China has sent two ships to pick up more but says that Vietnam has set "unjustifiable" conditions for their repatriation and has "colluded" with the anti-Communist Nationalist Chinese government on Taiwan by sending some Chinese there.

Vietnam, denying that it is persecuting Chinese, says that some Chinese residents are unhappy because of the socialization of their small-scale capitalist enterprises.

In Ho Chi Minh City, a correspondent for the Japanese news service Kyodo quoted a city official as saying that 250,000 of the 800,000 ethnic Chinese in the Cholon district had applied to board the repatriation ships.

But the official said that many who had applied under duress from "a handful of malignant Chinese elements" were seeking to withdraw their applications because China has characterized them as persecuted people and they do not feel persecuted, Kyodo reported.



President Anwar Sadat and Vice President Mubarak al-Matrawi meet in Alexandria to discuss future of Egyptian-Israeli peace talks.

'Mercy' Leeway Lacking

Ohio Death Penalty Upset by High Court

WASHINGTON, July 3 (IHT) — The Supreme Court ended its term today with a spate of decisions ranging from rejection of Ohio's death-penalty law to upholding federal curbs on a broadcast that included seven "dirty words."

It also, in the wake of the Bakke reverse-discrimination decision last

week, let stand a model affirmative action (anti-discrimination) program adopted by American Telephone & Telegraph Co. under federal government pressure.

In the death-penalty ruling, the justices held in five separate opinions on two cases that the Ohio law was unconstitutional because it failed to allow enough leeway for "mercy factors" a judge may consider in pronouncing sentence in capital cases. The three state death-penalty laws that the high court upheld in 1976 — those of Texas, Georgia and Florida — allow the judge to weigh a wide range of mitigating circumstances.

"The Ohio death-penalty statute does not permit the type of individualized consideration of mitigating factors," Chief Justice Warren Burger wrote in the court's main opinion. He said state laws may not preclude consideration of any factors that might discourage imposition of the death sentence.

Others Affected

The ruling seemed to affect the status of Ohio's 99 inmates under death sentence. A spokesman for the NAACP Legal Defense Fund said the decision would also affect approximately one-fifth of an estimated 470 persons facing execution in the United States.

Ruling on affirmative action, the justices rejected the challenges of three unions to the AT&T plan, which was embodied in a consent decree in 1973. A federal judge at the time called it the "largest and most impressive civil rights settlement" in U.S. history.

Until the late 1960s, AT&T's Bell Telephone System usually hired men for "craft" jobs such as

(Continued on Page 2, Col. 7)

At Ministerial Level

Egypt Will Resume Talks With Israelis

ALEXANDRIA, Egypt, July 3 (AP) — President Anwar Sadat announced today after meeting with Vice President Mubarak al-Matrawi that Egypt had agreed to resume face-to-face peace negotiations with Israel to try to "break the ice" after a six-month deadlock.

The Egyptian leader said he had agreed to direct talks in London between the foreign ministers of the two countries "mainly" at President Carter's urging, rather than because of any change in the Israeli position.

Mr. Sadat also said at a news conference that Mr. Mubarak would be returning to Washington today with a new Egyptian peace

plan, and he disclosed that he, Mr. Sadat, would travel to Europe this weekend for talks concerning the Middle East.

Mr. Mubarak left for Washington after his meeting with Mr. Sadat.

Unconfirmed reports in Cairo and elsewhere said that Mr. Sadat would meet with Mr. Carter when the U.S. president flies to West Germany next week for a Western economic summit conference.

But in Washington, the White House press secretary, Jody Powell, said there were no plans for such a meeting.

Mr. Sadat, under questioning from reporters, would not say he

planned talks with Mr. Carter or with Israeli leaders. An Egyptian official who asked not to be named, said earlier, "I think the Carter meeting is likely."

"Let us hope that this move will break the ice," Mr. Sadat said of Egypt's decision to participate in the foreign ministers' conference.

Mr. Mubarak, who met with Mr. Sadat for 90 minutes at the Egyptian president's seaside villa here, told reporters that as a result of his weekend goodwill visit to Israel he was confident that the Israelis would accept the U.S. invitation to the foreign ministers' meeting.

Israeli Prime Minister Menachem Begin (Continued on Page 2, Col. 8)

Says 2 Villages Taken

S. Yemen Claims Border Attack

BEIRUT, July 3 (UPI) — The Southern Yemeni Embassy in Beirut today charged that troops from neighboring Yemen had attacked the Beihan border region between the two Red Sea states, and a Southern Yemeni official vowed that his country would fight for every grain of sand.

"Military forces belonging to Yemen began shelling Beihan, in a news conference, said Mr. Osheish, a Southern Yemeni diplomat who asked not to be identified confirmed the report.

The front claimed that the counterattacks inflicted heavy losses on the Yemenis, taking a number of soldiers prisoner and capturing quantities of weapons.

The military incursions were reported shortly after the Marxist regime in Southern Yemen charged that troops were assembling in order to commit aggression against the Aden regime and vowed "a decisive response" against such action.

The charge was made in an official statement by the Foreign Min-

istry in Aden and broadcast by Aden radio.

In Abu Dhabi, a Yemeni government minister denied the charges and said his country was not massing troops along the border with Southern Yemen.

"The allegations are just a pretext to justify an expected aggression on the north in an effort to place us under foreign control," Mohammed Salem Basnoudah said.

He rejected reconciliation with the Marxist regime in Southern Yemen and said "we can enter into negotiations only if foreign intervention is eradicated in Southern Yemen."

Tension has been high between the two countries since the assassination last week of Yemeni President Ahmed al-Ghashmi, which the Yemenis blamed on Southern Yemen.

Southern Yemen denied the charge and boycotted a weekend meeting of the Arab League in Cairo that imposed sanctions on the Aden government, the first such move in the league's history.

Losses Put at 100 Dead, 300 Hurt

Syrians Pound Beirut Christian Sector

BEIRUT, July 3 (AP) — Syrian tanks and artillery hammered the Christian sector of Beirut today for the third day in a crackdown on the militias of two Christian political parties.

It was the heaviest fighting in the Lebanese capital since the civil war. Police and hospital sources said that Christian casualties exceeded 100 killed and 300 wounded. Syrian casualties were not known.

Former President Camille Chamoun, the leader of the National Liberal Party and its Tigers militia, appealed to the United States, the Soviet Union, France, Britain and the Vatican to save Beirut's 600,000 Christians from "Syria's genocide."

The Syrian government accused Mr. Chamoun's faction and Pierre Gemayel's Phalangist Party, which has Lebanon's largest Christian militia, of "seeking to dominate Lebanon."

Mr. Gemayel charged the Syrians with taking sides in the blood

feud between the Phalangists and ex-President Suleiman Frangieh, the Christian leader in northern Lebanon whose son the Phalangists killed in an attack three weeks ago.

Mr. Frangieh is Syria's staunchest Lebanese ally.

Two cease-fires ordered by Presidents Hafez al-Assad of Syria and Elias Sarkis of Lebanon collapsed during the night. After a brief lull, the Syrians fired the heaviest nighttime barrage into the city's eastern half since the end of the civil war 19 months ago.

A police spokesman said dozens of victims were bleeding on the streets, and ambulances were unable to rescue them because of the intense fire.

The Phalangist radio station, the Voice of Lebanon, said Syrian rockets caused considerable damage to three hospitals, forcing the staffs to evacuate patients to basement shelters.

Syrian hilltop positions poured rockets into the Ashrafieh, Ain el-

Rummuneh and Fum el Shubbak quarters, setting many buildings on fire, the broadcast said.

Attempts 'Repulsed'

It claimed that the Syrians also made a number of ground attempts to penetrate Christian positions along the three-mile-line between the Christian and Moslem halves of the city, "but all were repulsed with heavy Syrian losses."

The battle, which began Saturday, is the third major clash between the Syrians and Christian militias since the civil war. The Syrians form the bulk of the Arab League peacekeeping force enforcing the armistice between the Moslems and Christians, and observers said they were cracking down because the Phalangists and Tigers have been strengthening their forces in preparation for an attack by Mr. Frangieh's militia.

The crackdown began with a five-hour Syrian artillery barrage Saturday that Christian sources said killed at least 22 persons and wounded more than 80 in Ain el-Rummuneh.

The Syrians and Christian militiamen in Ain el-Rummuneh and Ashrafieh traded fire for more than eight hours yesterday. Each side claimed the other fired first, and police said at least 57 Christians were killed and more than 90 were wounded.

U.S. Comment

In Washington, a State Department spokesman expressed concern over the "tragic loss of life" and said: "We call on all to exercise the utmost restraint and to obey the calls for cease-fire."

The Syrians intervened in the civil war on the side of the Christians to prevent their defeat by the leftist Lebanese Moslems and their Palestinian allies.

Ex-Laotian Official Escapes to Thailand

NONG KHAI, Thailand, July 3 (AP) — A former Laotian police commander escaped to Thailand with his son, son-in-law and important documents. Thai immigration officials reported today.

Police said that retired Gen. Khamsou Viravuth, 62, who headed the Special Branch Police before the Communists took over the government in Vientiane, and his two companions crossed the Mekong River yesterday in a small boat despite gunfire from Laotian troops.

Against Soviet Charges

U.S. Newsmen Bar Active Trial Defense

By Kevin Klose

MOSCOW, July 3 (WP) — The two U.S. newsmen officially charged with slandering Soviet television today formally notified the court that they are withdrawing from active participation in the civil case and asked the presiding judge to dismiss the charge against them as groundless.

Craig Whitney of The New York Times and Harold Piper of the Baltimore Sun told Lev Almazov, president of the Moscow City Court, that to continue in active defense of their position might eventually lead to a court demand that they violate their journalistic ethics and reveal sources whom each quoted in separate dispatches last month that have been called slanderous by the official State Television and Radio Committee.

The articles quoted unnamed dissidents as doubting the authenticity of a televised confession of anti-Soviet propaganda by a convicted

Georgian dissident figure, Zviad Gamsakhurdia.

The newsmen said that their dispatches, carried by The Times and the Sun which do not officially circulate here, were journalistically "fair, balanced and accurate." They also said that the Soviet court in such a case does not have jurisdiction over articles published in the United States and distributed here.

"What this court is asked by the plaintiff to do is to rule that Soviet law may impose sanctions on reporting, though published and disseminated outside Soviet boundaries. The United States has claimed no such sweeping jurisdiction over what Soviet correspondents send from America to the Soviet Union," they noted in statements, they submitted to Mr. Almazov.

The complaint is unprecedented for attempting to assert Soviet jurisdiction over a foreign newspaper.

U.S. Film Branded 'Garbage,' Cheap

'Holocaust' Serial Shifted to Local TV in Germany

By John Vinocur

BONN, July 3 (NYT) — Directors of West Germany's largest television network have decided that a West German version of the U.S.-made "Holocaust" series on the Nazi extermination of Jews will be shunted from the country's main channel to a group of regional stations, a decision described as effectively burying the programs.

The vote by the directors, disclosed during the weekend, occurred after behind-the-scenes political maneuvering, denunciation of the series as "garbage" and "cheap commercialism" by opponents, and the suggestion that the network never really had any intention of showing it under circumstances that would give it maximum impact.

The directors voted in a meeting in Bremen against programming the nine-hour series on the first national channel and to turn it over to the country's nine regional stations, which can use the series individually — or decline to show it — once it is prepared for viewing early next year.

The decision effectively meant, according to a high-level industry informant, that "Holocaust" probably would not be shown by perhaps four regional stations which have expressed objections to it. In addition, media interest in the series would be curtailed as its showing would no longer be a national event.

Series Titled Unwanted

Peter Schulze-Rohr, the program director of Westdeutfunk, who called the programs "garbage,"

French Police Claim to Break Brittany Rebels

RENNES, France, July 3 (AP) — French authorities today said that they have dismantled a clandestine Brittany separatist group that claimed responsibility for last week's \$1-million bombing of the Palace of Versailles.

Police said that they have arrested the eight principal members of the Breton Republican Army, which has claimed about 30 bomb attacks in northern France.

The two arrested in the Versailles case, Lionel Chenevierre and Patrick Moutonier, both 28, were arraigned in Paris today. They and about 10 other suspects were rounded up for questioning after the bombing, and French authorities said that the two admitted the bombing to inspectors on Thurs-

day, "it would be more believable and more courageous to say hardly anybody wanted the series than to hide it away on the regional stations."

Concern about how the series would be shown was expressed in April when "Holocaust" was purchased for a reported \$600,000 from the National Broadcasting Co. At that time, Heinz Galinski, the leader of the Jewish community in West Berlin, suggested that the purchase was an admission of failure by the West Germans to deal effectively with their past and that a gauge of current intentions would be the kind of effort that the authorities would make to "get people to turn on their sets when 'Holocaust' is broadcast."

According to one account, the purchase of the series was urged on Westdeutfunk Rundfunk, one of the first national channels' member stations, by the Social Democratic Party's Chancellor Helmut Schmidt. Not only did the series seem important at a time of increased rightist violence, the party was said to have reasoned, but it would be politically insensitive to have West Germany seem unin-

terested or tardy in signing up for the show.

But a series of unfavorable reviews of "Holocaust" in the West German press then set the stage for a debate within the first channel's member stations on its worth. The battle lines were generally drawn between opposition from stations in areas where the Christian Democratic Party controls the state parliament and support from regions where the Social Democrats dominate.

Mr. Schulze-Rohr insisted the series failed on the grounds of verisimilitude alone. Nazi insignia were wrong, Hitler youth members were pictured in summer uniforms in the middle of the winter, and relatives were absurdly shown visiting inmates of Buchenwald, he said. These details would confuse a West German audience, notably its youth, Mr. Schulze-Rohr insisted, and make them wonder about the accuracy of whole series itself.

Hollywood Sentiments

The music was third class, he went on, and the sentiments of the series those of the worst Hollywood productions. "We've had enough

of bald obligatory exercises in digesting our past," he said.

Helmut Oeller, program director of Bayerischer Rundfunk, one of "Holocaust's" most vehement opponents, said, "I say no because 'Holocaust' puts the horror within boundaries, presents it in the same familiar limiting format as westerns and murder mysteries, all of which we view as entertainment and something not quite real, not quite the truth."

As recently as last weekend, the program was attacked in Bavaria by Franz Josef Strauss, the local Conservative leader, who called it "cheap commercialism."

Eventually, Westdeutfunk Rundfunk, the purchasers of the program, also said that they thought it best that "Holocaust" be shown on the regional stations. The reason given was that the first national channel's schedule was too tight and inflexible to fit the series in properly. This statement occurred more than six months before "Holocaust" could be prepared for showing and during a month when West German television scheduling was disrupted by about 120 hours of World Cup soccer programs.

Poles who have dollars can get a doctor to come to their apartment after hours instead of waiting in line at clinics. They can get a television set repaired quickly. They have access to special government-run Pewes stores that sell otherwise impossible-to-get Western goods, ranging from chocolates to stereo sets, but only for hard Western currencies.

They can buy a Polish-built Fiat 125 car for \$1,900 and get it

placed it "on the margin of Poland's economic life — a small fraction of the global economic turnover" for a country that has grown enormously in recent years by huge investments and borrowing from the West and the Soviet Union. It is now rated as the 10th largest industrial nation.

Uncertainty, Ill-Feeling

Although Mr. Krzak is correct in relative terms, the much more

widespread view here seems to be that the black market in dollars and two and three-level pricing systems even for Polish products have practically created chaos in personal money matters. They have brought uncertainty and ill-feelings to millions of people who do not have access to dollars.

The basic problem is that the zloty, like the Russian ruble, East German mark or Czechoslovakian koruna, is not money in Western terms. Its value is not pegged to anything except perhaps the ruble, and it is worthless outside Eastern Europe and impossible to convert back into Western money.

Thus official rates of exchange do not really measure what zlotys or other Eastern currency are worth in terms of what they can buy. The black market price for dollars is a much better indicator, and it is that price which officials here watch.

Dollar's Value Up

Despite the dollar's weakness in the West, its value here has steadily increased over the years, an indication to Poles that their currency is worth less and less.

Last week, the government raised the price of vodka as part of a campaign to curb alcoholism. Poles said that this made the black-market rate for dollars go up a bit. They could offer more zlotys for dollars because they could then go to the Pewes stores and buy vodka, where the price had not risen.

Although black-market dealing is illegal, it seems not only to be

express the kind of private outrage for which there are few other outlets. The Poles, however, may be the masters. A few examples: On the shortage of meat: "What is 50 yards long and cats potatoes?"

Answer: "Poles lining up to buy meat."

Man waiting in line at meat shop: "I've had enough of this line. I haven't moved in three hours. I'm going off to murder the prime minister." A few hours later he returns to the line, looking dejected. "No luck," he says, "there was a line."

On the black market purchase of dollars for Polish zlotys: "Comrade, why are Poland and America exactly alike?"

Answer: Because in neither country can you buy anything with zlotys.

On shortages in general: Man entering shop to buy two pounds of beef is told by salesclerk: "I'm sorry sir, in this shop we don't sell sugar. The shop next door is the one that doesn't sell beef."

—MICHAEL GETLER

West's Money Brings Bargains, Ill-Feelings to Poland

By Michael Getler

WARSAW, July 3 (WP) — During President Carter's visit here last December, the assistant secretary of state for economic affairs, Richard Cooper, took a stroll through this Polish capital's picturesque old town square.

During that stroll, according to local sources, Mr. Cooper was approached three times by Polish money changers who offered to sell Polish zlotys for dollars at three to four times the official tourist rate of exchange.

Mr. Cooper thus may have inadvertently become the highest-ranking Western official to come face-to-face with the Polish black market in money. But he is not alone.

The black market for Western money here is believed to be the largest of any in Communist East Europe.

The demand for dollars especially, but also for other strong Western currencies, such as the West German mark and the Swiss franc, has created in fact a second economy in Poland because the dollars are so widely sought and the impact of having them, or not having them, is so vast for Polish citizens.

first, according to Marian Krzak, deputy finance minister. With Polish currency the same car costs 180,000 zlotys, about \$5,455 at the official exchange rate of 33 zlotys to the dollar. If they have only zlotys and want the same car without waiting a few years, they can pay 230,000 zlotys for it on a third but private market.

Mr. Krzak said that the black market is a problem, but he

Warsaw Laughs at Own Polish Jokes But Is Irritated by U.S. Ones

WARSAW, July 3 (WP) — Polish Foreign Ministry officials are warning privately to U.S. officials that the often nasty and degrading "Polish jokes" circulating in the United States are hurting Polish-U.S. relations.

There is, in fact, considerable good feeling among many people in this country toward the United States, where about six million Americans of Polish descent live. And in the United States, these same ethnic and family ties, plus a general respect for Polish culture, also prevail.

Some officials here believe, however, that making Poles the butt of so much ridicule in jokes hurts in a subtle yet important way even better relations and understanding between the two countries.

On the other hand, the Poles in their country are the greatest producers of Polish jokes. These jokes, however, are not the kind that reach the United States or would be very meaningful to most Americans.

They are political jokes, a form of satire highly refined through Communist East Europe. Many people frequently use humor to

express the kind of private outrage for which there are few other outlets. The Poles, however, may be the masters. A few examples: On the shortage of meat: "What is 50 yards long and cats potatoes?"

Answer: "Poles lining up to buy meat."

Man waiting in line at meat shop: "I've had enough of this line. I haven't moved in three hours. I'm going off to murder the prime minister." A few hours later he returns to the line, looking dejected. "No luck," he says, "there was a line."

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—MICHAEL GETLER

As Seoul Backs Export Boom

S. Korea Business Growing in 3d World

By Andrew H. Malcolm

SEOUL, July 3 (NYT) — Every day, hundreds of shoppers wander through the New Renovation Department Store in Libreville, Gabon, 10,000 miles from South Korea as the jet flies.

The store, filled with South Korean merchandise, is half-owned by South Koreans. It was built by South Korean architects, South Korean engineers and South Korean construction workers using South Korean cement, steel and machinery hauled in South Korean ships.

The enterprise, which has the presidential seal of approval from both nations, was the first in a fast-growing series of successful business penetrations of Africa by South Korean businesses that are

already entrenching themselves in other developing third-world markets.

This seemingly unlikely joint venture highlights the special cooperation that exists between South Korea's government and business circles, especially when the project carries financial, diplomatic, commercial and even national security advantages for the bottom half of

this divided Asian peninsula. It might also be a warning to other trading nations that competition will grow.

Korean Competition

South Korea has more than 55,000 construction workers building piers, refineries, factories and other installations in Middle Eastern nations. Korean shipbuilders are taking many orders away from Japan's once-powerful yards. Korean steel, manufactured at low wages, is affecting overseas producers. And Korean car makers are now making their first assertive entry into foreign markets.

Park Choong Hoon, president of the Korean Traders Association, says his group alone will send more than 150 salesmen to 39 countries this year. Thousands of other Korean businessmen are also seeking sales abroad. In addition, about 50 influential foreign businessmen have been invited here this year from Africa, Southeast Asia, Central and South America and the Middle East.

The Renovation Department Store idea began in 1975 when President Omar Bongo of Gabon came to Seoul, one of hundreds of foreign officials invited here in recent years. He reportedly was impressed with Korea's department stores and inquired about having one built in his country. Government officials put him in touch with the Ssangyong Corp., a South Korean conglomerate of 20,000 companies involved in cement, shipping, construction, heavy machinery, clean insurance.

A few months later a formal agreement was signed. In August, 1976, a joint venture, Sogaco, or the Korea-Gabon Trading Co., was established, and 90 days later ground was broken in Libreville by 200 Korean workers.

The 15-story structure, Libreville's largest and first of steel, is a combination department store, office and apartment building. One-quarter of the \$12 million cost was financed with a loan by the Banque Nationale de Paris. The remaining \$9 million was split by Ssangyong and by the South Korean Export-Import Bank at a favorable rate.

Most Ssangyong companies received at least some of the business. And now the partly South Korean-owned trading company will help provide \$5 million a year in Korean merchandise to Renovation.

"We see the store as a base camp to expand Korean exports throughout the Central African countries, which have no tariffs in their trading union," said Chung Chong Dug, general manager of Ssangyong's planning office here.

A-Protest Is Planned During EEC Meeting

KARLSRUHE, West Germany, July 3 (AP) — Anti-nuclear protesters will demonstrate at the Bremen summit meeting of the European Economic Community, the Federation of Citizens Initiatives for Environmental Protection said today.

The demonstration is expected at a hearing tomorrow on nuclear policy. The groups, which plan a demonstration Thursday, will again point out the dangers and consequences of atomic energy "for Europe and the entire world," a statement said.

Poland's huge debt to the West for its import of industry and technology is said to be about \$12 billion to \$13 billion, and Poland is encouraging commerce to attract Western currencies to help pay it off.

Special airline fares to the United States have recently been dropped to the equivalent of \$100 in a move seen as encouraging Poles to travel to the United States, work for a while and bring back more dollars.

Both Poland and East Germany have far more access to hard Western currencies than others in the Soviet bloc. In Poland this is because about 50,000 of the six million Polish-Americans in the United States visit Poland each year while others send money to relatives. East Germany also is visited each year by millions of West Germans.

This has created sharp divisions in these countries among those who have dollars or West German marks and those who do not. To help soak up dollars, these governments have set up a network of special hard-currency stores. This, however, has caused resentment among those who do not have dollars and thus have no access to the stores.

The governments have tried to solve the problem by opening special stores where some of the same products are sold in local currency and at much higher prices.

Thus, while the meat lies persist at local markets, new so-called commercial markets are opening where better cuts of meat are available for double the price and with much less waiting time.

For Poles who have extra Polish money, the system is an improvement. But it has added to the inherent unease that comes with an increasingly complex system of prices. It has also given the government a way to raise meat prices for many people without provoking the riots that threatened the government of Edward Gierk here two years ago.

In addition to Poland's tourist rate of exchange, there is another official rate for commercial transactions, a third rate for diplomats and a fourth for retired Americans living here.

"Someday this marginal problem will be overcome," said Mr. Krzak of the black market, as Poland's huge investment in new factories begins to pay off at home and abroad. "If our citizens have fewer access to cars and the ability to pay for them in zlotys, then I'm certain that the black market, which flourishes now, won't be as profitable."

Basque Leader Wounded, Wife Killed in France

SAINT-JEAN-DE-LUZ, France, July 3 (UPI) — A Basque nationalist leader accused of masterminding terrorist attacks was seriously wounded and his wife killed today by machine-gun fire from a passing car, the police said.

Juan Echave and his wife, Rosario, were leaving their restaurant here — a favored meeting place for Basque nationalist sympathizers — when they were shot from a Paris-registered car.

Mrs. Echave was killed instantly. Her husband was taken to a hospital in Bayonne, where his condition was listed as critical. The police believe that the attack was politically motivated.

Mr. Echave had been accused by Spanish authorities of plotting a number of terrorist attacks during the Franco regime.



THEN THERE WAS ONE — Public Works Minister Gaetano Stamatelli, a Christian Democrat, sits all by himself in the chamber of the Italian Parliament before the start of a fifth ballot in the effort to elect a new president. The ballot was inconclusive.

Bonn Assails East for Jailing Dissident

BONN, July 3 (AP) — The West German government accused East Germany today of gravely violating human rights and undermining bilateral efforts at détente by imposing an eight-year prison sentence on a critic of the regime, Rudolf Bahro.

Chief government spokesman Klaus Boelling leveled the accusation after Mr. Bahro, author of a Western-published book that assailed the East German system for "smothering true socialism," was convicted Friday of "high treason."

Describing the verdict as a "grave violation of internationally guaranteed human rights," Mr. Boelling told a news conference: "Nobody who has read the book will be prepared to believe the East Berlin city court's claim that he worked for Western intelligence services. There is no doubt that he was sentenced for his criticism of the [East German] system."

The 41-year-old economist was one of the most prominent figures yet to fall victim to an East German crackdown on dissident intel-

lectuals and artists in recent years.

Western publication of his book, "The Alternative — Criticism of Real Existing Socialism," brought him instant fame in West Germany last year.

Using inside knowledge gained as a Communist party member, Mr. Bahro blamed East Germany's rigid, Moscow-style system for lack of initiative, poor labor morale and bad worker discipline.

He described East German-style Communism as a form of disguised capitalism that fails to close the gap between the rulers and the ruled.

Alternative Sought

Assailing the Warsaw Pact invasion of Czechoslovakia in 1968, Mr. Bahro proposed that Soviet satellite countries be permitted to have opposition parties that would work out a more "liberal Communist alternative" to the Moscow line.

Western reports said that East German leaders, seeking to avoid trial publicity, offered to let Mr. Bahro go to the West after his arrest last August. He reportedly chose to stay and confront the system in court.

Mr. Boelling said today that the dissident would be "welcome to settle in this country but it appears that he has refused to leave East Germany."

'Matadora' Wins an Ear In Madrid

MADRID, July 3 (AP) — Maria-Isabella Atezar, 19, yesterday was awarded an ear in Madrid's Las Ventas bullring. It was the first bullfight starring a female there in more than 40 years.

Miss Atezar, whom experts say has the potential of being a leading bullfighter, was taken out of the ring on the shoulders of overjoyed fans. She has performed 25 times this season and is said to be averaging the equivalent of \$3,500 per fight.

Communist Crackdown

The 41-year-old economist was one of the most prominent figures yet to fall victim to an East German crackdown on dissident intel-

lectuals and artists in recent years.

Western publication of his book, "The Alternative — Criticism of Real Existing Socialism," brought him instant fame in West Germany last year.

Using inside knowledge gained as a Communist party member, Mr. Bahro blamed East Germany's rigid, Moscow-style system for lack of initiative, poor labor morale and bad worker discipline.

He described East German-style Communism as a form of disguised capitalism that fails to close the gap between the rulers and the ruled.

Alternative Sought

Assailing the Warsaw Pact invasion of Czechoslovakia in 1968, Mr. Bahro proposed that Soviet satellite countries be permitted to have opposition parties that would work out a more "liberal Communist alternative" to the Moscow line.

Western reports said that East German leaders, seeking to avoid trial publicity, offered to let Mr. Bahro go to the West after his arrest last August. He reportedly chose to stay and confront the system in court.

Mr. Boelling said today that the dissident would be "welcome to settle in this country but it appears that he has refused to leave East Germany."

Basque Leader Wounded, Wife Killed in France

SAINT-JEAN-DE-LUZ, France, July 3 (UPI) — A Basque nationalist leader accused of masterminding terrorist attacks was seriously wounded and his wife killed today by machine-gun fire from a passing car, the police said.

Juan Echave and his wife, Rosario, were leaving their restaurant here — a favored meeting place for Basque nationalist sympathizers — when they were shot from a Paris-registered car.

Mrs. Echave was killed instantly. Her husband was taken to a hospital in Bayonne, where his condition was listed as critical. The police believe that the attack was politically motivated.

Mr. Echave had been accused by Spanish authorities of plotting a number of terrorist attacks during the Franco regime.

Crimean Tatar Burns Himself to Death

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Mr. Mahmud had previously served two years in a Soviet prison for violating residence regulations

Western Currency: A Polish Problem

(Continued from Page 1)

tolerated but perhaps even encouraged. Taxi drivers and street sellers operate outside major hotels and clearly could be arrested if the government chose to do so. But the street dealers are one way to get dollars from tourists and are better at it than the government, which offers only the official tourist rate.

Last year, the government took an unprecedented step for a Soviet-bloc country when it allowed Poles to open dollar accounts at banks without having to explain where they got the dollars. Millions of dollars as a result were put into the banks. Mr. Krzak said that there are now about \$330 million in private accounts in Polish banks.

Huge Debt

Poland's huge debt to the West for its import of industry and technology is said to be about \$12 billion to \$13 billion, and Poland is encouraging commerce to attract Western currencies to help pay it off.

Special airline fares to the United States have recently been dropped to the equivalent of \$100 in a move seen as encouraging Poles to travel to the United States, work for a while and bring back more dollars.

Both Poland and East Germany have far more access to hard Western currencies than others in the Soviet bloc. In Poland this is because about 50,000 of the six million Polish-Americans in the United States visit Poland each year while others send money to relatives. East Germany also is visited each year by millions of West Germans.

This has created sharp divisions in these countries among those who have dollars or West German marks and those who do not.

To help soak up dollars, these governments have set up a network of special hard-currency stores. This, however, has caused resentment among those who do not have dollars and thus have no access to the stores.

The governments have tried to solve the problem by opening special stores where some of the same products are sold in local currency and at much higher prices.

Thus, while the meat lies persist at local markets, new so-called commercial markets are opening where better cuts of meat are available for double the price and with much less waiting time.

For Poles who have extra Polish money, the system is an improvement. But it has added to the inherent unease that comes with an increasingly complex system of prices.

It has also given the government a way to raise meat prices for many people without provoking the riots that threatened the government of Edward Gierk here two years ago.

In addition to Poland's tourist rate of exchange, there is another official rate for commercial transactions, a third rate for diplomats and a fourth for retired Americans living here.

"Someday this marginal problem will be overcome," said Mr. Krzak of the black market, as Poland's huge investment in new factories begins to pay off at home and abroad.

"If our citizens have fewer access to cars and the ability to pay for them in zlotys, then I'm certain that the black market, which flourishes now, won't be as profitable."

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Mr. Mahmud had previously served two years in a Soviet prison for violating residence regulations

which keep many Tatars out of their Crimean homeland.

Miss Osipova said that more than 800 Tatars turned out for Mr. Mahmud's funeral, shouting slogans and waving banners which read "Crimea to Tatars" and "Let Tatars Come Back to Crimea."

Millions of Tatars were exiled from the Crimea during World War II by order of Josef Stalin after they were accused of collaborating with Nazi German invaders. They have been trying to return ever since.

Dissident on Trial

MOSCOW, July 3 (UPI) — Soviet authorities have put Georgian dissident Valentina Polizade on trial on charges of anti-Soviet slander. Moscow dissident sources reported today.

She was charged with "slandering the Soviet Union and its people."

Valentina Polizade, 34, was arrested last November after she had been living in the United States for several years.

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France Haven for Fugitive

Cleaver Cites Giscard Aid In Evading U.S. Charges

NEW YORK, July 3 (Reuters) — Former Black Panther leader Eldridge Cleaver says that Valéry Giscard d'Estaing, then a government minister before becoming French president, secretly helped Cleaver settle in France while he was a fugitive from U.S. justice.

In excerpts from a forthcoming book, "Soul on Fire," published today in New York magazine, Cleaver said that he entered France illegally from Algeria in 1972 and Mr. Giscard d'Estaing met him at the home of a mutual friend.

Cleaver says Mr. Giscard d'Estaing, then France's minister of finance and economy, told an aide to then French President Georges Pompidou: "To normalize the situation of my friend Monsieur Eldridge Cleaver and his wife, give them documents permitting them to reside legally in France."

Cleaver said that after he received his papers, Mr. Giscard d'Estaing met him again, inviting him and his wife to a party at Mr. Giscard d'Estaing's apartment.

U.S. Charges

Cleaver was charged in the United States on warrants of intent to kill after jumping parole.

Cleaver says Mr. Giscard d'Estaing told him President Pompidou would soon die and then he would become France's president.

"At that time you will have no problem," Mr. Giscard d'Estaing was quoted as saying. "In the meantime, we must be careful. For the moment, it's better if your new situation remains quiet."

There is Michel Jobert, our minister of foreign affairs, to consider. If the Americans learn of your new status, they will take it up with Jobert. Nothing could come of it, of course. You are perfectly safe. We just prefer not to be obliged to explain anything to M. Jobert.

"But above all else, you are free to remain on the territory of the

Ohio Law Overturned

(Continued from Page 1)

phone installations and women as operators or clerks where pay rates were lower. Discrimination against blacks and other minorities also was charged.

The consent decree, worked out by the company and the Equal Employment Opportunity Commission, requires that annual "intermediate targets" and ultimate goals be set to make up for past discrimination in 15 job categories. If the "target" is not met in time, the decree requires the employer to "pass over candidates with greater seniority or better qualifications in favor of members of the under-represented group who are at least 'basically qualified'."

The so-called "affirmative action override" violated seniority rights negotiated in collective bargaining agreements.

Bakke Ruling

The court acted on this and three other cases involving racial or sexual considerations in hiring, federal contracts and in colleges in the wake of the Bakke ruling. In that decision, the justices ruled invalid a medical school's admissions program because it served 16 places out of 100 in each entering class for minorities, thus excluding whites solely because of race. The court said race may be one factor — thus allowing affirmative action plans to stand — but not the only one.

In another decision today, the court ruled 5-4 that the Federal Communications Commission was empowered to ban the broadcast of a comedian's monologue which included "filthy words" during times when children are likely to be listening.

Justice John Paul Stevens wrote that the court was not considering "a two-way radio conversation between a cab driver and a dispatcher, or a telecast of an Elizabethan comedy."

"We have not decided that an occasional expletive in either setting would justify any sanction or, indeed, that this broadcast would justify a criminal prosecution," he wrote.

Rather, Justices Lewis Powell and Harry Blackmun wrote separately, the decision turned on the unique character of broadcasting, plus society's right to protect its children from "inappropriate" speech and the interest of unwilling adults in "not being assaulted with offensive speech in their homes."

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Cut-Rate Fares Change Industry

U.S. Airlines Flooded in Record Boom

By Winston Williams
NEW YORK, July 3 (NYT) — Tens of thousands of passengers crowded U.S. airports during the four-day Independence Day weekend in what many airline experts say is the busiest travel period in U.S. aviation history. For the last year, traffic on U.S.-flag carriers, spurred largely by a proliferation of cut-rate fares, has surged.

Last year, a record 240 million passengers boarded planes in the United States. This year the air travel pace is running 14 percent higher. Some air carriers improved 20 percent over last year's levels. Airline executives are pleased with the boom, although some are expressing concern over higher costs and the impact of lower fares on profits. Still, they say, conditions have improved markedly since the pre-1977 days, when the industry suffered from the double impact of costly fuel and low passenger traffic. The current trend, they add, is helping profits more

than it is hurting them, partly because of a new class of traveler.

Passengers by the thousands are taking advantage of cut-rate fares. A New York City postal worker said that he decided to spend his lunch hour at the ticket office here shopping for bargain fares to Disneyland after he had trouble getting through to the airlines on the phone.

With prosperity have come problems. Passengers are finding it harder to make reservations by phone. They are also encountering longer lines at the check-in counters and more frequent flight delays. Overworked flight attendants and information clerks often are wearing half the usual smile. Hustling skycaps are more impatient with pleas for information.

For their part, the airlines seem divided over the wisdom of cutting fares. Some carriers are characterizing the policy, fostered by the Civil Aeronautics Board, as "routes for rates."

Last week, Trans World Airlines asked the board's permission to raise rates on its London-to-New York route, contending that the fares were hurting profitability. It said that the fares were creating administrative costs that were not fully offset by the added traffic.

Lufthansa asserted that fare-cutting on transatlantic routes by U.S. companies was "irresponsible" and could have damaging effects on all international airlines.

The traffic boom comes at a time when the airlines need to spend billions of dollars to modernize their aging fleets, and complicates planning because no one knows whether the growth will continue or traffic will decline if the economy turns down next year as some economists expect.

Charters Lose Out

And, there are losers in the air boom — mainly the charter operators, who say that the scheduled airlines, with their low fares, are diverting traffic from the charters. The charter operators contend that the scheduled carriers will raise fares again when competition from charters has been eliminated.

The metamorphosis of the airline industry has been fostered in part by Alfred Kahn, the activist chairman of the CAB who has encouraged greater competition among the airlines by granting new routes to carriers that promise lower fares. So-called "sales" are becoming an acceptable way of doing business in the airline industry.

For example, Pan American World Airways, which was recently awarded the right to fly from Boston to Amsterdam, initiated a 30-day opening "sale" of a \$149 "no-reservations" round trip, the cheapest available fare to Europe. On July 14, it goes up to \$279, still cheaper than the \$299 standby fares available between London

and New York on scheduled airlines, but more than the \$246 "no frills" fare offered by Laker Airways on the same route.

"The response tops anything we ever expected," a Pan Am spokesman said. Travelers have been flying, driving and hitchhiking to Boston's Logan Airport from points around the country to take advantage of the fare. Lines are so long that many prospective passengers wait as long as five days before getting a seat.

Many find the changing lines on route maps and the variety of "conditional" fares to be confusing. There are 21 different fares, for instance, between New York and Chicago. Some disgruntled travel agents say that they spend an inordinate amount of time sorting out cheap fares for customers, and then collect reduced commissions.

The unavailability of bargain seats has outraged some customers and prompted Gerald Trautman, chairman of the Greyhound Corporation, to denounce the fare cuts and their advertisements as a fraud.

CAB Warning

Mr. Kahn warned the airlines earlier this year that the CAB would be vigilant against "bait-and-switch" tactics. But airline executives say that many cut-rate seats go begging and are available if passengers keep their plans flexible.

Congestion at airports and crowded aircraft are evoking complaints from the airlines' traditional customers, with business travelers the most vocal critics. They have trouble, they say, making last-minute reservations, and find it hard to prepare for meetings during flights because of distractions created by the new breed of flier — described in a recent United survey as a 44-year-old with an annual income of less than \$23,500.

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James Williston and his wives, Kathy (at left) and Linda.

Texas Man and 2 Wives Caught Holding Children in Wire Cage

HOOKS, Texas, July 3 (UPI) — To James Williston, it was not unusual for three of his 10 children to be locked in a 4-by-6-foot chicken-wire cage. To him, it was a safe place for them.

Welfare workers last week found 2-year-old Andy, 2-year-old Dorothy and 3-year-old Florence Kay, naked in the pen and coated with their own feces. They assumed custody of the children but no charges have been filed against Mr. Williston, 57, a Choctaw Indian; his legal wife, Kathy, 24, nor his common-law wife, Linda, 21. Both women are expecting to give birth in October.

"We put the babies in the pen to keep them from going on the road," Mr. Williston told the Dallas Morning News. "When we're out working in the fields, we can't watch them, and if they ever got hurt, I know it would be my responsibility."

Carter Said to Approve Borders Agency

By Anthony Marro

WASHINGTON, July 3 (NYT) — President Carter has approved a plan calling for creation of an agency within the Treasury Department to control and manage the nation's borders, according to a number of administration sources.

At the same time, the administration has decided to abandon, at least temporarily, another part of the reorganization plan that would have greatly expanded the powers of the director of the Federal Bureau of Investigation by giving him authority to set policy for all Justice Department investigative units.

The president didn't block it. It wasn't presented to him because they felt it needed more study and the time wasn't ripe," said an administration official who did not want to be identified.

pected to be announced formally within two weeks and will take effect unless both houses of Congress veto it within 60 days after it is announced.

Shift to Treasury

About 4,000 persons involved in border inspection and patrol work would be shifted from the Immigration and Naturalization Service, which is in the Justice Department, to the Treasury. The purpose of the move is to combine this force with the Customs Bureau and thus form a new border control agency under a single, unified command.

Another part of the plan calls for the shift into the Justice Department of the firearms and explosives section of Treasury's Bureau of Alcohol, Tobacco and Firearms. This move, involving about 3,500 persons, would place three of the government's major investigative

agencies — the FBI, the Drug Enforcement Administration and the firearms units — under the attorney general.

In addition, the sources said, the decision-making authority for visa applications and refugee policy would be shifted from the State Department to that part of the immigration service left within the Justice Department, giving that department a more important role in immigration policy.

This last plan was approved over the protests of a number of senior officials in the State Department, who argued that both visa policy and refugee policy were integral parts of the nation's foreign policy and should not be determined in the Justice Department.

Linked to Cost Controls

Carter Is Said to Consider Phased Health Insurance

By Victor Cohn

WASHINGTON, July 3 (WP) — President Carter is considering a new national health-insurance plan that would be implemented a step at a time, with each increase in coverage taking place only if health costs were under control at the time.

The plan — or, more precisely, a set of alternatives built around the same theme — eventually would cover all U.S. citizens. But it would have built-in brakes that could be applied if at any point health-cost increases become excessive.

This approach has been put before the president by his leading health and domestic-affairs advisers, it was learned yesterday.

They also are arguing that only by covering all health costs — charges by doctors, hospitals and others — can the government ever hope to bring them under control.

Califano Argument

A part of this argument was stated by Joseph Califano Jr., the Health, Education and Welfare secretary, on the ABC television program "Issues and Answers" yesterday.

"If we do not have national health insurance in this country, we will have the most incredible health-cost inflation," Mr. Califano said. "The American people will pay more for health care without a national health insurance plan than with it."

Mr. Califano said that health-care costs "allowed to run wild the way they are running now" will "hit more than \$300 billion in 1983."

The idea of combining health-insurance triggering and braking — and using the whole system to control costs — is intended to help the president meet his recent pledges to advocate comprehensive health insurance for all, while mollifying his economic and anti-inflation advisers. They would still like to see him embrace only a few limited additions to the nation's health coverage.

Triggering, key administration officials said, is the latest idea on how the nation might achieve broad national health insurance while keeping a way to stop it in case health-cost controls fail.

How it Might Work

"For example," an official said, "the president might ask Congress to begin phasing in broad-based health insurance in late 1982."

"We would start with insurance for some groups" — say, \$20 billion worth of coverage for mothers and

children, or for part-time workers who now have poor coverage.

"Then," he continued, "another \$30 billion worth of insurance for someone else might be triggered in 1983 or 1984, if general inflation were not above 10 percent, just as arbitrary figures. I don't know what the figures might be."

"Or this next step might be triggered if the president or Congress — more likely, the president — simply determined that health-cost inflation was within bounds."

"One can think of various combinations of triggers and conditions," another official said. "Of course, we don't know what the president will decide. He may decide against this concept. But I think we'll see some kind of phasing in" — step-by-step broadening of coverage — with triggering either automatic if certain conditions apply, or more closely controlled.

'Principles' Promised

The president's decision may be fully or partly disclosed in a set of "principles" he has promised to give Mr. Califano within days. Then Mr. Califano can, in his words on television yesterday, "put together a plan."

The president has promised to give Congress this plan in time for Senate health subcommittee hearings late this summer. Organized labor and other health-insurance advocates want to try to force congressional candidates on the record this fall to make the next Congress the "National Health Insurance Congress."

What Congress will actually do in the next few years is uncertain. The administration has not been able to get a hospital cost-control bill past more than one of four key committees, despite 14 months' effort.

"Still, health costs were about \$160 billion last year," an official said. "With the current health-cost inflation of 12 percent or slightly higher, they will be \$310 billion by 1983."

Spain Security Aides Visiting W. Germany

MADRID, July 3 (UPI) — Interior Minister Rodolfo Martin Villa and top Spanish police and security commanders flew to West Germany today for discussions on anti-terrorist methods, officials said.

During the two-day visit, Mr. Martin Villa will inspect the West German special anti-terrorist unit. Spain is currently developing a similar group of its own.

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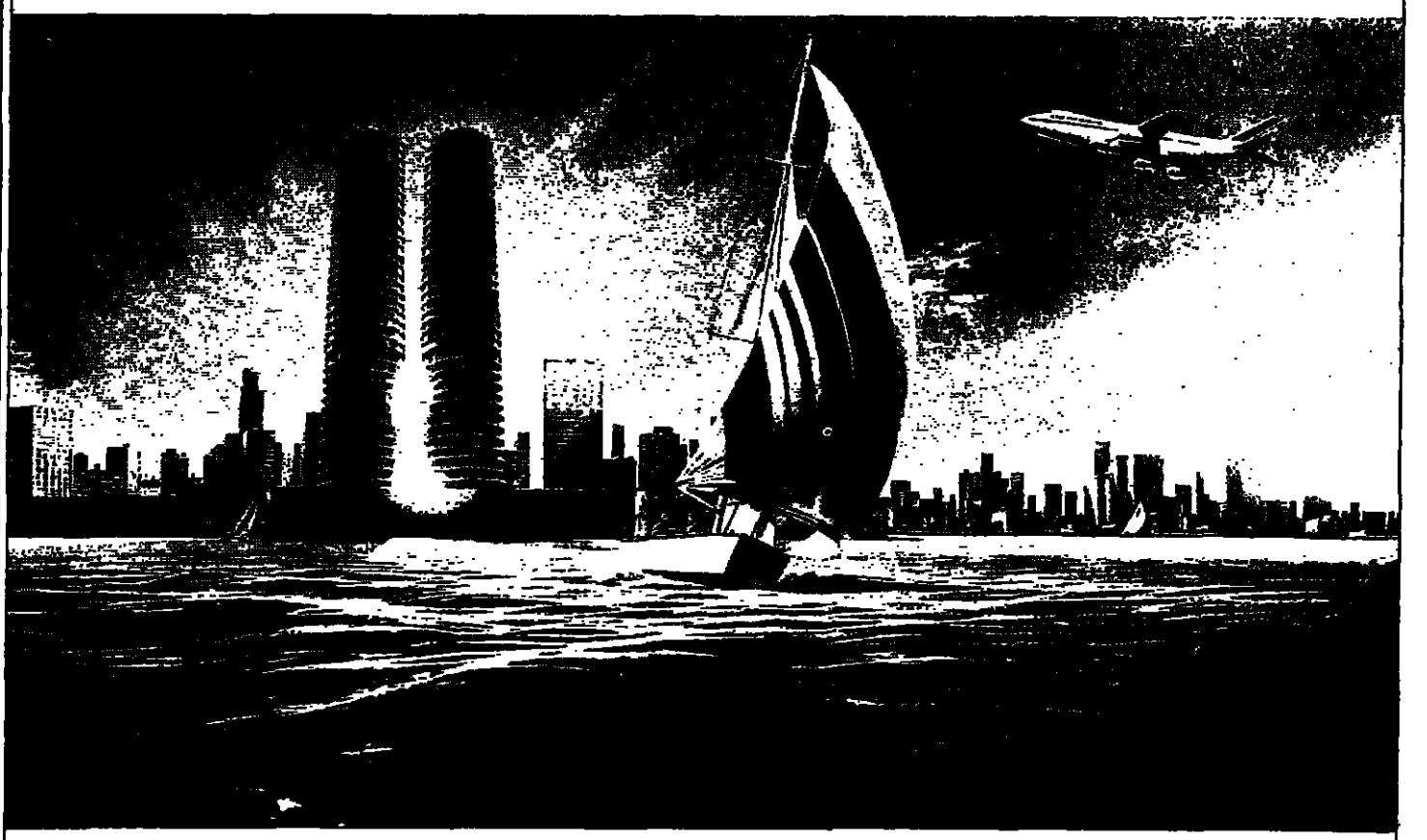
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was notably silent. Last year, when Shaba province was first invaded by rebels based in Angola, Nigeria tried to mediate between Angola and Zaïre. This year, however, Nigeria refused to become involved, perhaps because of increasing distaste for the regime of President Mobutu Sese Seko which, without the swift intervention of Western forces, would not have survived.

Nigeria continues to be active in West Africa, where it was the moving force in the establishment of the Economic Community of West Africa. The organization envisions a customs union and common market encompassing all 17 Francophone and Anglophone countries in the region.

All these efforts have not yet yielded borne fruit for Nigerians who often find themselves ridiculed by other Africans as aggressive, pushy and arrogant. "The ugly Nigerian" has become a cliché in parts of Africa in much the same way that "the ugly American" was used some years ago. As in the case of the stereotyped American, the newer epithet is the product as much of admiration and envy as of contempt.

Death in a Backwater Town in Brazil

Mozambique Makes Progress Toward Socialist Goals

Mozambique Makes Progress Toward Socialist Goals

George L. Stout Dies; Expert on Art Restoration

thing. The exodus of Portuguese at independence crippled the factories and the plantations and left the country desperately short of capable administrators and technicians although there still are an estimated 20,000 Portuguese in the country in addition to about 5,000 who took Mozambican citizenship.

The closure of the Rhodesian border in March has deprived Mozambique of critically needed foreign exchange through the loss of duties and transit fees. Rhodesian attacks against the Patriotic Front's guerrilla camps inside Mozambique have taken a high toll in lives and material and have been partly responsible for Mozambique spending 29 percent of its budget on defense.

Additionally, Mozambique still staggers under a mountain of foreign currency restrictions. To change his place of residence, a Mozambican needs a dozen permission slips. To buy a ticket for a flight within the country, he needs

authority from the Ministry of Immigration and must wait for hours at the single, nationalized travel agency.

Health-care facilities were nationalized along with other social institutions early in the revolution. Businesses abandoned by the Portuguese also were nationalized, but most small enterprises remained in private hands. Rental properties were nationalized, too, but each property owner was permitted to keep one house for his personal use, along with one holiday house.

As landlord, the government charges rent that depends on the individual's income, making the cost of housing here probably the lowest and best in Africa. Because Mozambique was such a disadvantaged stepchild of the colonial era, it is possible that any new social experiment would have had basically the same successes as failed ones. The Marxist experiment, which was formally adopted in February 1977,

Certainly many questions remain. Among them: How will Mozambique confront opposition if it develops? Can Mozambique import an ideology from the Soviet Union and really remain nonaligned, as it intends to remain? Can revolutionary war unite a poor, struggling African nation or will it become a reeducation of and for the few? Is the uneducated voice of the workers truly capable of making decisions that affect the future of the state? Can independence produce order, or be achieved as it is hoped by 1980, will the economy continue to falter?

The government says it needs only time, stability and continued hard work to realize its egalitarian goals. "After all," a government official said, "we are only beginning."

That is a phrase that is heard often in Mozambique. It is spoken as a matter of fact, not as an apology.

Foreign Force Bolsters Army

Normalcy Returns but Shaba Still Edgy

KINSHASA, Zaire, July 3 (AP) — While Moroccan soldiers erected bunkers around a command post, Belgian students held their annual high-school prom in Lubumbashi with their parents as chaperones.

Tanned girls in floor-length dresses and boys in suits or sports coats and slacks danced to the disco sound at the Karavia Hotel.

Their parents chatted or watched them in the bar mirror, cracked two weeks ago when a French Foreign Legionnaire fired three bullets into it because the service was slow.

Kolwezi: Authorities blame the invaders for the slaughter.

About 2,500 whites were evacuated from Kolwezi, and it is believed it will be difficult to recruit new technicians for Shaba's copper and cobalt mines.

In addition to the 1,700 Moroccans, the peacekeeping force includes 150 troops from Togo, 300 from Senegal, 100 from Gabon and 100 medics from the Ivory Coast. The force was organized by France and the United States to beef up Zairian President Mobutu Sese Seko's army and to calm the fears of the white settlers.

Copper and cobalt mines and plants near Likasi were not affected by the invasion. But the Kolwezi mines, which accounted for 75 per cent of the area's output, were disrupted, and production is estimated at less than half of what it was before the invasion.

The African force is the result of Western and moderate African states' efforts to halt Cuban and Soviet influence on the continent and provide stability for governments that need outside assistance.

Zaire, the former Belgian Congo, has required foreign military intervention from the first days of its independence in 1960.

Patrols in Kolwezi

Moroccan and Senegalese troops in camouflage uniforms patrol Kolwezi on foot, in jeeps and in sand-colored armored vehicles. Medics from the Ivory Coast treat the population at village clinics. The Gabonese and Togolese, in plain military green, patrol outside Lubumbashi.

The peacekeeping troops will remain indefinitely as deterrents to a resurgence while the Zairian Army reorganizes. The troops' presence is also designed to soothe local anxiety about the Zairian Army, which has a history of persecuting and harassing members of Shaba's Lunda tribe.

Most of the Katangan exiles are Lundas, and their fellow tribe members sympathize with them.

Some of the peacekeeping troops are guarding the mines and smelters and the gold provided about \$800 million of Zaire's total \$1.1 billion in export revenue last year.

1965 Coup

After his coup in 1965, President Mobutu brought some order to Zaire, a central African nation with a population of 25 million. More recently, however, the cumulative effects of mismanagement, corruption and economic slide have brought despair.

President Mobutu, the West has begun an economic and military salvage effort that is contingent on President Mobutu making political, economic and administrative reforms.

France and Belgium are to train about 15,000 Zairian soldiers into what is hoped will be a discipline force that could replace the pan-African force.

President Mobutu has signed law providing a six-month amnesty program for all exiles, and he is preparing a plan to install International Monetary Fund experts in the central bank and Finance Ministry to control foreign exchange.

TENDER NOTICE

**Arab International Bank
Cairo, Egypt.**

Invitation for Pre-qualification for General Contractors.

The A.I.B. Center is an Egyptian Public Law 43 Project created by Arab International Bank. The Project is located near the center of Cairo and consists of one 730-room hotel, one 20-story office building and two 32-story apartment buildings all interconnected by a 5-story mixed use building. The gross area is approximately 245,000 square meters of reinforced concrete construction.

The contractors who are qualified will be expected to submit a firm price tender for the structural elements, and general conditions for the entire project and submit a percentage fee for the acceptance of assignment by the owner of subcontractors for the entire project. Site excavation and foundation work and piling has commenced. Structural drawings and specifications are complete. The remainder of the construction documents will be completed by mid 1978.

Prospective general contractors pre-qualification tender must contain the following:

1. Certified year-end financial statement and a current applicable balance sheet.
2. A synopsis of personnel of the association including curricula vitae of the top officers.
3. Names, titles, experience in construction in general and experience in the Middle East of senior staff who are currently in your employ and who will be assigned to the project.
4. Number and titles of senior staff people who will be obtained from other sources and the sources thereof.
5. Company experience in the Middle East, if any, including specifically the number, type

- and size of successfully completed projects and year completed.
6. Number of high rise buildings completed worldwide together with a brief description of at least four major buildings.
7. Number and description of projects of comparable size successfully completed and year completed.
8. List of clients for whom previous projects of similar size have been successfully completed with the name and title of representatives who can be contacted as references.
9. History of bonding relations on similar sized projects for the past 5-7 years.
10. Sources of construction materials and the number and types of equipment for the concrete structure.

Pre-qualification tenders will be received no later than July 18, 1978 by:

Arab International Bank
c/o Mr. W. B. Luster
50 Gomhoria Street
Cairo, Egypt
Phone: 935744
Telex: 9-3079

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Dr. Celestino, the hospital chief, stood by and spoke with the coroner and the others. "We used to talk together," he said. "I wanted to learn English. Jerry used to tell me that we needed this and that kind of medical equipment but we are not sophisticated here. He did not understand. Lately he became very much alone."

Last Encounter

The last men to see Jerry alive were those who shared some beer with him in the gas station bar. They said that, after drinking, he wanted to go to his room and work out with his punching bag.

It was not until Agatha told officials moving the body to a nearby cemetery to prepare it for autopsy and embalming for the long trip home.

Sister Celia, head of nurses at the hospital, tried to make some sense of the tragedy.

"Jerry was away in February for a carnival in Cleveland and then to Lavras for a training session — of course, with the hospital's permission," she said. "The director for the Peace Corps in the state called while Jerry was gone and later sent a letter to tell Jerry not to travel without permission of the Peace Corps. Jerry was very upset over the letter. He carried it in his pocket and kept reading it. It was not a bad letter, it is just that Jerry was not extremely sensitive."

"I noticed a big change in Jerry in the past month. He slept a lot and kept to himself. It is so sad. I think he was very lonely. He received few letters. He ate only one meal a day and had constant diarrhea. He became emotional and cried when a patient died. He just did not adjust. Perhaps it would be better if the Peace Corps sent volunteers in pairs to help each other."

Roxana S. Ferris

PALO ALTO, Calif., July 3 (UPI) — Roxana S. Ferris, 83, an internationally known botanist, died of a heart attack Friday, it was announced today.

Mrs. Ferris made a number of plant collection expeditions to various parts of the United States, Mexico and China, yielding many new species of plants. She also was the author of several scientific papers and the fourth volume of Abrams' "Illustrated Flora of the Pacific States" was published by Stanford University Press in 1960.

Envoy Returns To Chile After Recall by U.S.

SANTIAGO, July 3 (AP)—U.S. Ambassador George Landau returned to Chile yesterday, nine days after being recalled to Washington for consultations regarding an investigation of the 1976 death in Washington of Orlando Letelier, a former Chilean foreign minister.

The U.S. State Department, in announcing Mr. Landau's recall, said that Chile "has not fully complied with our important requests" for information in the Letelier case.

Earlier this year, Chile turned over to U.S. authorities Michael Townley, a U.S.-born rightist who was residing in Chile. Mr. Townley agreed to plead guilty to one count of conspiracy to murder Mr. Letelier, who was an outspoken critic of Chile's ruling military junta and a former U.S. State Department official. Mr. Letelier was assassinated in 1976 by Salvador Allende.

According to court testimony, portions of the bomb used in the assassination of Mr. Letelier were taken to the United States by agents of the Chilean secret police.

Vermont A-Plant Shut

VERNON, Vt., July 3 (UPI) — The Vermont Yankee nuclear power plant has been shut for a week because of cracks in the steel lining of a safety cooling system, but a spokesman said that no radioactivity had escaped and there was "no threat to the health and safety of the workers or the public."

Not Insignificant Dreams

"This may not look like much now," Mr. Chigeda said, "but come back in 1980 and you will find a

autiful town here." These

and accomplishments may seem modest but they are not insignificant. For while Marxist revolutions have foundered or died in other African countries, Mozambique appears to be making genuine progress against great odds toward establishing a radical, humane

No one, though, is under the illusion that Mozambique, a country twice the size of California, is a social paradise. The government of President Samora Machel is stern and demands discipline and support. It probably would be willing to use its East German-advised security force to crush any opposition that threatened the revolution.

"It is a class imposition," said President Machel, who helped lead Mozambique's 10-year war of liberation, "those who refuse to accept this imposition must be forced [to conform]. Those who oppose this will be repressed."

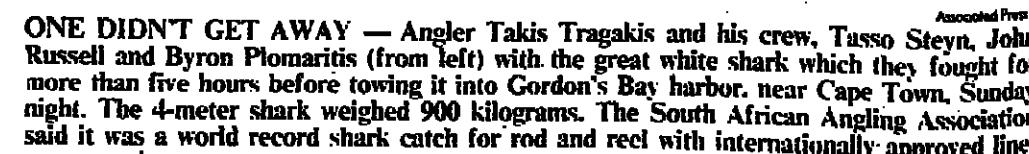
Arrest without trial is common. An estimated 12,000 Mozambicans are in the country's eight "reeducation" camps. Western diplomats, however, have found virtually no evidence to support allegations of inhumane punishment.

In many ways Mr. Machel is both an idealist and a pragmatist. "We are not hysterical revolutionaries," he said at the time of independence in 1975. "The war has tempered us."

But he has stuck to certain principles such as discipline. And the result has set Mozambique apart.

Many African capitals, for example, are filthy but Maputo is spotless. Volunteer brigades pick up the trash and clean the streets and the streets clean. While many African capitals crawl with beggars, Maputo has virtually none. Corruption, at the official or unofficial level, does not exist, according to foreign residents. Most of the prostitutes have retired or been put in reeducation camps. Crime is minimal. Last year, the government says, there were only four murders, "excluding crimes of passion." In this province with more than 1 million inhabitants

Still, much remains to be done. The economy is a shambles, with imports rising, exports falling and long lines at the stores for every-



Monte Carlo: A Home, And a Haven for Some

By Hebe Dorsey

MONTE CARLO, July 3 (IHT) — With cranes looming on the horizon and the building boom in full swing, Monte Carlo is fast becoming a mix between Manhattan and Hong Kong.

The price of real estate has jumped from 3,000 francs a square meter 10 years ago to 18,000 francs today, and for the price of a studio here you can get a three-room apartment anywhere else.

Still, that has not discouraged affluent newcomers, all in search of a safe and financially padded haven. Among them is Sir Charles Clore, now a resident, who has bought a multimillion-dollar penthouse, with its own swimming pool, at the newly completed Floria apartment building, facing the Hotel de Paris.

From Rome, there are Morton Lewellyn and his companion, the elegant Countess Lucetta Tripovich, who have left Italy for more peaceful horizons. As have many other Italians, who now form one of the largest colonies here, they find Monaco a home not too far from what they still like to consider home.

"We're only an hour from Rome," the countess said, "so, it's no problem."

The Restaurants

Neither is Italian food since smart restaurants are opening one Italian restaurant after another. After Pinocchio, in the old town, the latest and best one is Rugantino, at 2 Rue des Iris. It was opened a month ago by Liliane Anticoli, daughter of Italian comedian Toto, and her husband, who ran a restaurant in Johannesburg for the last eight years. When they decided to leave, they headed not for Rome but for Monte Carlo.

The place is small, in a charming, unpretentious building. Mrs. Anticoli does the cooking herself — homemade fettuccine and ravioli, so good that she rated a kiss from former King Umberto of Italy, who was here last week for Princess Caroline's wedding.

In Monte Carlo, the accent is also very much on big business. As more and more companies are opening here, there are now so many banks the place is getting to look like a small Switzerland.

"We're even beginning to have some Swiss nationals," Wilfred Groot, a financial adviser of Prince Rainier, said.

Shipping companies are also heavily represented here because taxation forced many of them out of England. The new harbor, which has been under construction for

seven years and is half the size of the current one, will be opened early next year.

"An average of 50 companies a year have been opened here in the last three years," Mr. Groot said. Asked if Monte Carlo was not fundamentally an attraction for anybody with money and not the purest of business intentions, Mr. Groot said: "No, we are very selective. It takes three months of investigation to accept a company here where everywhere else, it takes only a signature. The rate of rejection is 40 percent."

At the Hotel de Paris, now run by Swiss-born Fred Laubi, whose experience includes the Gritti in Venice and the last few years in Montreal, things have changed, too.

"The main thing," Mr. Laubi, who took over in January, said, "is that this has become an all-around town instead of just a vacation resort." The hotel was full last week and not just because of Princess Caroline's wedding.

"It's because Monte Carlo means not only gambling now but is a business meeting place. We have lawyers and bankers meet here, and Renault launched its new car here in February. The Monte Carlo Grand Prix is now drawing a lot of young people, and so did our recent first nautical exhibition," he said.

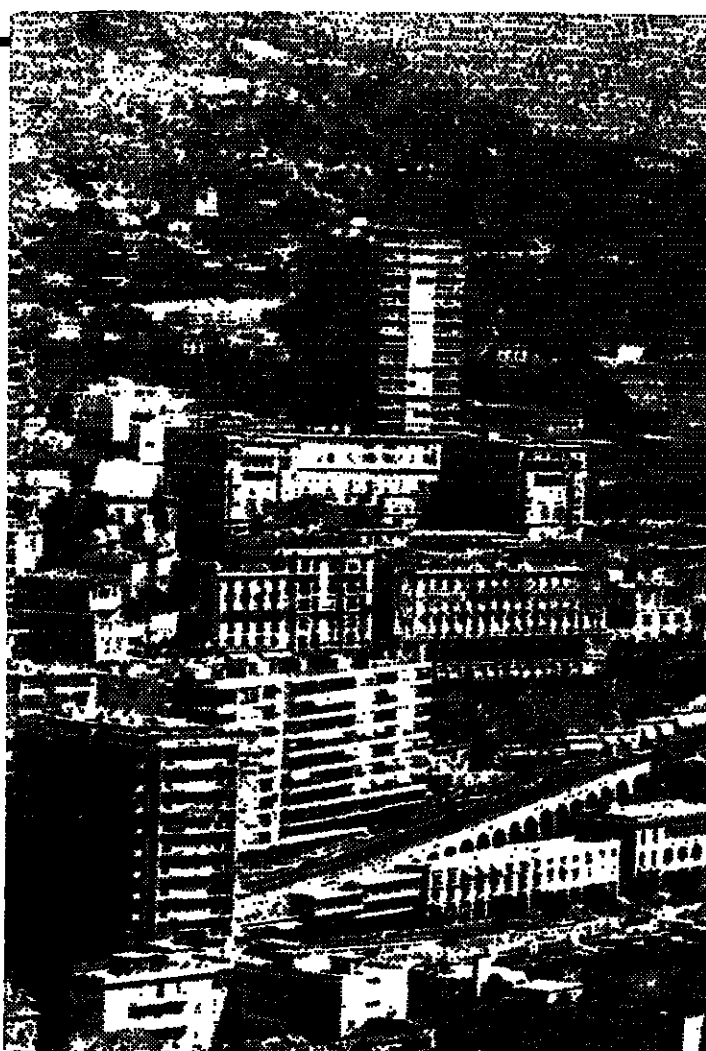
The addition of a new convention center, to be opened in November, is also sure to bring even more people and keep the place going with business when leisure slows down.

The new hotels, such as Loew's, have also brought in droves of curious, colorful and happy-go-lucky tourists who have changed the atmosphere from somewhat staid chic to harmless honky-tonk. Back of it all, there is a distinct feeling of a bigger chance for a bigger number to take advantage of that lovely stretch of coast and share, with the wealthy of this world, Monte Carlo's many blessings.

Luxury Remains

Nevertheless, luxury still holds its own in Monte Carlo. Sparkling white yachts are lined up in the harbor, some big, others bigger but most of them belonging to famous people — San Spiegel, Karim Aga Khan and Stavros Niarchos, who sports the latest status symbol: his own helicopter at the ready to take guests back and forth to the airport.

The Roll-Royce fans have thinned out a bit lately, with many



Monte Carlo's real estate boom continues apace.

people prudently switching to less conspicuous Mercedes. But there are still extravagant ones, such as a half-black, white, custom-made 600 Mercedes, which has a bar, telephone and television. It belongs to Edward and Cappy Hand, who are here on a belated honeymoon.

At the Hotel de Paris bar, Prince Yuksa Troubetsky, who always does things in a princely manner, has his capped chauffeur bring in U.S. imported Fresco to mix with his vodka. There are more young people in safari suits and safari hats around but that does not faze the old habitués in diamonds and white milk, whose lives seem to be spent going from one party to another.

The best party last week was given by Mrs. Frank Jay (Florence) Gould, the grande dame of the Riviera, who had 120 people for a sit-down lunch at her El Patio villa in Cannes.

The July 1 affair is a fixture on the Riviera social calendar since it is the hostess' birthday. Every year, she shares it with Estee Lauder, who was born the same day. The latter got a cake, too, but also a Legion of Honor medal with

rubies, emeralds and diamonds," she said.

Mrs. Gould's museum-like house with its priceless collection of paintings, including some of the largest Bonnard in the world, showed no sign of having suffered from a recent \$400,000 painting theft. But then, it is the kind of place where one can see a Fissarro over a door. Asked why there was no door, she answered: "Where else do you want me to put it? I don't have any room."

In Cannes, settling in for the summer, are Grace and Harold Robbins. She is planning her next charity gala, A Tout Cœur, on July 25, at which Jerry Lewis will appear. As for Mr. Robbins, a no-nonsense, compulsive worker, he does not get carried away by the Riviera leisure life and is already working on his next book, "Memoirs of Another Day."

Work, however, has a slightly different feel on the Riviera. As a CBS newsmen, Hughes Rudd, put it, sipping champagne while filling a special with food expert Julia Child at three-star restaurant Moulin de Mougins: "You call that working?"

London and Brussels Galleries

London

Old Master Drawings, Kate de Rothschild at Brod, 24 St. James's Street, London SW1, to July 7.

I think this is the best so far of Kate de Rothschild's annual shows of old master drawings. Included are an elegant pair of gouaches by Clément, a chalk drawing, "Mercury Educating the Young Cupid," by Erasmus Quellinus (1607-1678); an ink landscape drawing by Annale Carracci and a splendid pastel portrait of his mother by Louis Vige (1715-1767).

Paintings by Old Masters, Colnaghi, 14 Old Bond Street, London W1, to July 7.

This show, designed to display the full range of the gallery's stock, is broadly divisible into three sections — early Italian, Italian

baroque, and Dutch and Flemish. In the first section, "The Nativity" of the 15th-century Siennese painter Sano di Pietro is outstanding; in the second, two small paintings of Franciscan monks by Magnasco, and in the third, a superb pair of still lifes by the fourth-generation Brueghel, Abraham.

British Heraldry, British Museum, Great Russell Street, London WC1, to Aug. 27.

This joint exhibition of the British Museum and the British Library traces the development of heraldry from the 12th to the beginning of the 19th century, and includes illuminated manuscripts, robes, armorial ceramics, stained glass, and the Westminster Tournament Roll, which in contemporary style portrays the jousts by which Henry VIII celebrated his first-born son in 1511.

—MAX WYKES-JOYCE

Brussels

Surrealism From the Collection of the Museum of Modern Art, New York, Fine Arts Museum, Rue de la Régence, Brussels, to July 30.

On the whole, this is a rather disappointing selection of surrealist work from New York's Modern Art Museum for an overseas tour. All paintings and objects are by European artists, most from the Paris school of surrealism; many are already familiar from previous exhibitions in Belgium. The Duchamp male and female aprons, a faintly tawdry little joke by now, have been in view in Brussels galleries from time to time, so has the female breast haloed in black hair. The Belmer Poupée, an unlovely object, has appeared before, and the unusual and exciting Magritte painting of a murderer, his victim and potential executioners, was admired in a show last summer. Not that novelty need be an essential component of any exhibition, but somehow one advertised as coming,

from the Museum of Modern Art in New York raises special hopes.

There are pleasant surprises. Victor Brauner paints with a touch as light as cobwebs to impart an authentic spectral aura to his ghostly still-life composition; Schwitters' cool constructivism backing his use of commonplace bits and pieces, a button, a tram ticket, retains a very modern impact; the famous Dali vision of limply drooping watches in a remote dream landscape, a small masterpiece painted in 1931, with every detail on record in endless reproductions, is still for many the first step forward into a genuinely irreal world of the subconscious.

Carelman, Sculptures and Drawings, Galerie Camomille, 30 Rue Vilain XIIII, to July 8.

This French artist's "nonexistent objects" could be classified as surreal in the Duchamp, Max Ernst tradition but are often rather fun-

nier than the trail blazers'. His coffee pot for masochists has a spout directly above the handle; a baby carriage for agricultural mothers, working in the fields sports a pram chassis welded on to a wheelbarrow base; a pair of leather gloves-cum-shoes with fingers neatly sewn together is offered to aid the web-footed. For the chilly shiverer there's a set of radiators curved into chair form and ready to plug in; for the kangaroo hunter a rifle with curly metal barrel formed for bouncing the bullet in rhythm with the animal's bounds. A splayed-out chair hung on the wall is handy for storing and a bottle made of real sponge guarantees double-quantity contents. The list is long and nearly all the ideas are neat and witty, worked out with skill and care in the actual objects or the deadpan drawings. Also displayed are books illustrated by Carelman in an entirely different style of graceful and romantic symbolism.

—RONA DOBSON

Entertainment in New York

NEW YORK, July 3 (IHT) — This is how the New York Times critics rate new plays:

"Tribute," written by Bernard Slade, "is a sticky morass in which an occasional funny joke or witty line surfaces and sinks and in which some valiant efforts by Jack Lemmon and up in defeat," according to Richard Eder. It is about "a perennial funny man, an inveterate charmer, who holds everyone and everything at an equal, genial distance, until he must face the prospect of dying in short order from leukemia." Before his death, he wants to become friends with his college-age son, "who has been estranged from him from the age of eight." And squinting jokes "like a squid squirts ink, for evasion's sake," he fends off his ex-wife, his boss and his doctor. Eder adds that Arthur Storch directs "with apparent adequacy and little apparent distinction."

"Strawberry Fields," directed by Stephen Pascal, "keeps getting

ahead of its credibility," Richard Eder says. "It hastens along upon short legs, and they tend to stumble." Written by Stephen Pollakoff, it is about two radical young rebels who set out on a trip through Britain to pass out literature to agents of a clandestine rightist organization and collect funds. "Charlotte (Susan Sharkey) is upper class and snobbish... Kevin (Nicholas Wooderson) lower class, sickly and vehement, has come out of the youth and music culture of the '60s." A hitchhiker (Brad O'Hare) joins them, sticks with them and tries to disrupt their journey when he discovers their peculiar mission. They raid a food stall, and when the police arrive, Charlotte pulls out a pistol and shoots an officer. As they flee, a violent end begins. Though Pollakoff "manages a witty baring of class differences in his portraits of Charlotte and Kevin," the play's second half "is both forced and static," according to Eder.

Theater in Berlin

Off-Off Broadway Echoes In American's Production

By Paul Moor

BERLIN, July 3 (IHT) — Rick Cluchey, born in Chicago in 1933, wrote the first version of his play, "The Wall Is Mama," in 1965 after nine years as a life server in San Quentin Penitentiary, which he left on permanent parole 18 months later. Cluchey, himself white, says, "Most of my imprisonment was served with black Americans." For the next eight years he lived and worked with black ex-convicts, rewriting his play over and over.

The San Quentin Drama Workshop, which Cluchey helped found, unveiled the play in Edinburgh in 1974; a London run of over a month followed. Now Cluchey has rewritten it yet again, and the San Quentin Drama Workshop will perform it, in English, through July 12 at the Schaubuehne am Halleschen Ufer.

Cluchey has set his play in a seedy Lower East Side Manhattan bar, called Mother's, on a summer evening in 1978. Five whites (two of them Cluchey and his wife, Teri Garcia) and four blacks constitute the dramatic personnel. A black woman runs the bar, and the people who come and go include a black transvestite hustler, a white transvestite junky hustler, a heroin pusher, a blind, crippled religious fanatic in a wheelchair, a white racketeer whom the black hustler owes money, two of the racketeer's accomplices, one of them a sadistic thug and hit-man, and a clean-cut U.S. Marine WASP sergeant with more than 20 years of splendid service in Santo Domingo, Lebanon, Korea and Vietnam.

Overreaction

The psychology of spectators at plays done in a foreign language and milieu is bewildering. Consist-

ently, they overreact — to prove, I suspect, how completely they understand what goes on.

In a play like this, the laughter which arises from anxiety also figures strongly. Certainly, the walking wounded who appear in Mother's place provide no cause for knee-slapping. If they portrayed physical suffering as severe and appalling as the emotional and mental suffering their words and actions reveal, we could not bear it. And yet, on opening night, chorles and even guffaws greeted line after line from the stage.

But such lines, had they come from white conformists, would hardly have provoked a smile, or any reaction at all. Those spectators laughed at such lines only because they came out of the mouth of a black or a transvestite. In so doing, they unwittingly, and depressingly, confirmed the apparently impenetrable existence of the sort of walls Rick Cluchey so passionately deplores.

Cluchey creates a mood of almost unrelieved despair, punctuated with sadism and violence. He has tried to re-create black life, specifically the wall between American blacks and whites, as he himself has known it — but he has, after all, known it as a man visibly not born into that life or truly an integral part of it. One must speculate as to how much editing of this play such a black writer as LeRoi Jones would have demanded.

Arthur Graham stands out, at times impressively, as the pusher. Together with Cluchey, John Jenkins, who plays the Marine, has directed the play, with sets by Cork Gates, bringing an echo of Off-Off Broadway to Berlin.

On the Arts Agenda

The Gong Sawan ensemble of Bali, a troupe of 35 musicians and 20 dancers making its first European tour, is appearing at the Theatre des Champs-Elysees through July 19 with its traditional repertoire, including palace and temple dances, instrumental pieces, heroic ballets drawn from Hindu texts and improvisations.

Lawrence Foster has been named permanent conductor of the National Orchestra of the Monte Carlo Opera, effective September, 1979, succeeding Lovro von Matic. Foster, 37, was assistant conductor of the Los Angeles Philharmonic under Zubin Mehta until he was named musical director of the Houston Symphony in 1971.

The conductor Nikolaus Harnoncourt and the director-designer Jean-Pierre Ponnelle, who collaborated on the Zurich Opera's acclaimed cycle of Monteverdi operas, will continue their collaboration at the same theater with a series of Mozart stagings, beginning with "Idomeneo" in 1980.

"Reigen," a new three-part ballet with choreography by Fred Howald, has entered the repertoire of the Frankfurt Ballet. "Rondo" and "Fantasie" have music by Bruno Libera, and "Sonate" is to music of Schubert. Marco Arturo Marelli is the designer and Jose Francisco Alonso the pianist. The next performance is scheduled for July 9.

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Palestinian Riddle

Here's a political riddle: A bomb exploded in Jerusalem last week, killing two Israelis and injuring 30 or 40 others. In Beirut, responsibility for the attack was promptly and proudly claimed by a unit of el-Fatah, the principal guerrilla group within the Palestine Liberation Organization. The PLO, the umbrella organization of the Palestinian national movement, also includes various other military, political and social groups, among them the Palestinian Red Crescent (Red Cross). Yasser Arafat is the head of el-Fatah and of the PLO as well. What or who should be blamed for the bombing?

To many, if not most, Israelis and to many Americans, it suffices to blame the "PLO" and "Arafat," used interchangeably, and to characterize the PLO and Mr. Arafat as "terrorist." To be sure, this approach rationalizes Israel's formal refusal to concede that there is a Palestinian national movement and a representative organization speaking for it, but it does more than that. It fairly fixes responsibility for repeated acts of terror. For the PLO by its charter and Mr. Arafat by his practice do sanction armed struggle against Israel, and such struggle regularly takes the form of atrocities against civilians. It is hard to recall the last time Palestinian guerrillas attacked an Israeli military target.

To others, however — and here we include ourselves — it is not enough to dismiss the PLO and its leadership as "terrorist." They are that but they are more than that. The PLO is a political organization as well as a military one. Yasser Arafat a politician as well as a guerrilla leader. It and he must accept responsibility on the military side, but they must be acknowledged to have a political side, too. This is not to endorse all the PLO's political tactics and goals, but it is to recognize that the PLO does speak for people with legitimate political interests that must somehow be taken into account.

The State Department, we note, went a good distance last Friday in trying to sort this out. Earlier in the week, a department

official had stated, in an incomplete formulation, that the United States did not regard the PLO as a "terrorist" organization. That apparent whitewashing of an outfit that, among other things, plants bombs and kills people produced dismay in Israel. Partly to smooth the reception the Israelis were then preparing for Vice President Mondale, the department whipped up a more complete presentation.

A spokesman not only condemned the latest bombing but explicitly extended condemnation to 1) el-Fatah for conducting the attack, 2) the PLO for being "an organization, elements and members of which carry out acts of terror" and 3) Mr. Arafat as the leader of el-Fatah and the PLO. The spokesman also noted that within the PLO there are persons and factions "who do not advocate or condone terrorism," and he said the administration was still ready to talk with the PLO if it adheres to a UN resolution affirming Israel's right to exist.

That is not a bad place to let the matter rest while the search for a Middle East settlement goes on. Israelis deserve official U.S. understanding for their ordeal of terrorist fire. They need it especially at a moment when Washington is urging them to consider policy changes that many regard as a grave threat to their security.

But if the administration has offered certain assurances to the Israelis and warnings to the Palestinians on terror, it has kept open a political vista, too. The message is: When Palestinian organizations and leaders are ready to tell their people — and then the Israelis — that they accept Israel as a legitimate and permanent state, then a basis for negotiation will exist. We think it is in the Palestinians' interest to come to that position, and it is in Israel's interest to make sure that those Palestinians interested in negotiations have an Israeli partner at the table. Otherwise, the terror — and only the terror — will go on.

THE WASHINGTON POST.

The Terror in Cambodia

The bloody clash of nationalities and ideologies continues unabated in Indochina. Vietnamese forces are reported fighting deep in Cambodia once again, and meeting fierce resistance. So acute is the millenary hatred between Vietnamese and Cambodians that neither army takes many prisoners. And civilians on both sides of their border suffer unspeakable horrors.

We have not said much about this distant war except to express gratitude that the United States is no longer involved. And we have perhaps not said enough about the carnal house that Cambodia has become since the present Khmer Rouge leadership took power in 1975. Our news columns have amply reported the grim story insofar as it can be known from refugees' accounts: the terrible toll inflicted on the Cambodian people by fanatic, puritanical leaders bent on totally remaking a society.

The magnitude of disaster numbs the mind. The estimates are that many hundreds of thousands, perhaps even 2 million Cambodians out of a population of eight million, have been killed or allowed to die of disease and starvation. This in a country that not so long ago was peaceful and relatively prosperous.

We have said little about the war because we do not know what outcome to prefer. A Vietnamese victory that places Hanoi's puppets in control of Cambodia would probably have its own unfortunate consequences for Cambodians. And while denouncing the Khmer Rouge's reign of terror is easy, we are unable to suggest ways in which the United States and other countries might apply pressure against the offending regime.

There appears to be no way, short of war, to influence the policies of Pol Pot and his colleagues. They have made Cambodia one of the world's most isolated societies. Indeed, their obsession with self-sufficiency accounts for much of the misery they have inflicted on Cambodians. Only China, which has the largest share of Cambodia's small foreign

trade and undoubtedly supplies most of its arms, may have real influence over Phnom Penh. Given their present quarrel with the Soviet-supported regime in Vietnam, the Chinese are scarcely likely to apply pressure on the Khmer Rouge.

The non-Communist nations of Southeast Asia have been notably silent about events in Cambodia. That is because they fear an expansionist Vietnam and are reluctant to say anything that might encourage Hanoi to make Cambodia its puppet, as Laos already is. Other nations, farther away, have been less constrained. Legislatures in Western countries have censured the Pol Pot regime. The U.S. House of Representatives has passed two motions of censure, and the Senate will soon have one before it.

President Carter has said that Americans have a responsibility to condemn the present Cambodian government, and called it "the worst violator of human rights in the world today." Americans should indeed speak out, but they should remember, also, that our country bears a heavy responsibility for the events that brought such suffering to Cambodia.

In 1970, when Gen. Lon Nol overthrew the government of Prince Norodom Sihanouk that for so many years had tried to maintain Cambodia's neutrality, the Nixon administration gave him full support and immediately invaded the border zones that North Vietnam had been using as a military base.

Without U.S. support, Lon Nol would not likely have survived. And had Washington not engulfed Cambodia in war, Hanoi might never have given the Khmer Rouge the support it needed to come to power. The U.S. alliance with Lon Nol was a marriage of convenience and so was the alliance between Vietnamese and Cambodian Communists. Neither lasted very long. For the sake of the Cambodian people, we can only hope that the rule of Pol Pot and his band of zealots will not last much longer.

THE NEW YORK TIMES.

International Opinion

Viewing Proposition 13

California's Proposition 13 may yet confound the pessimists who argued that the United States, like Britain, has gone so far along the road of dependency on state expenditure that all attempts to roll back the tide would lose their momentum in face of massed vested interests. Its chances of success stem both from its boldness and its at-

tack from the flank. Instead of beginning with specific government expenditures, where vested interests by definition equal the public interest but by the nature of things will be better organized, Proposition 13 began with the general interest in lower taxation, leaving the spending authorities themselves to fight their vested fellow-interests.

— From the Daily Telegraph (London).

In the International Edition

Seventy-Five Years Ago

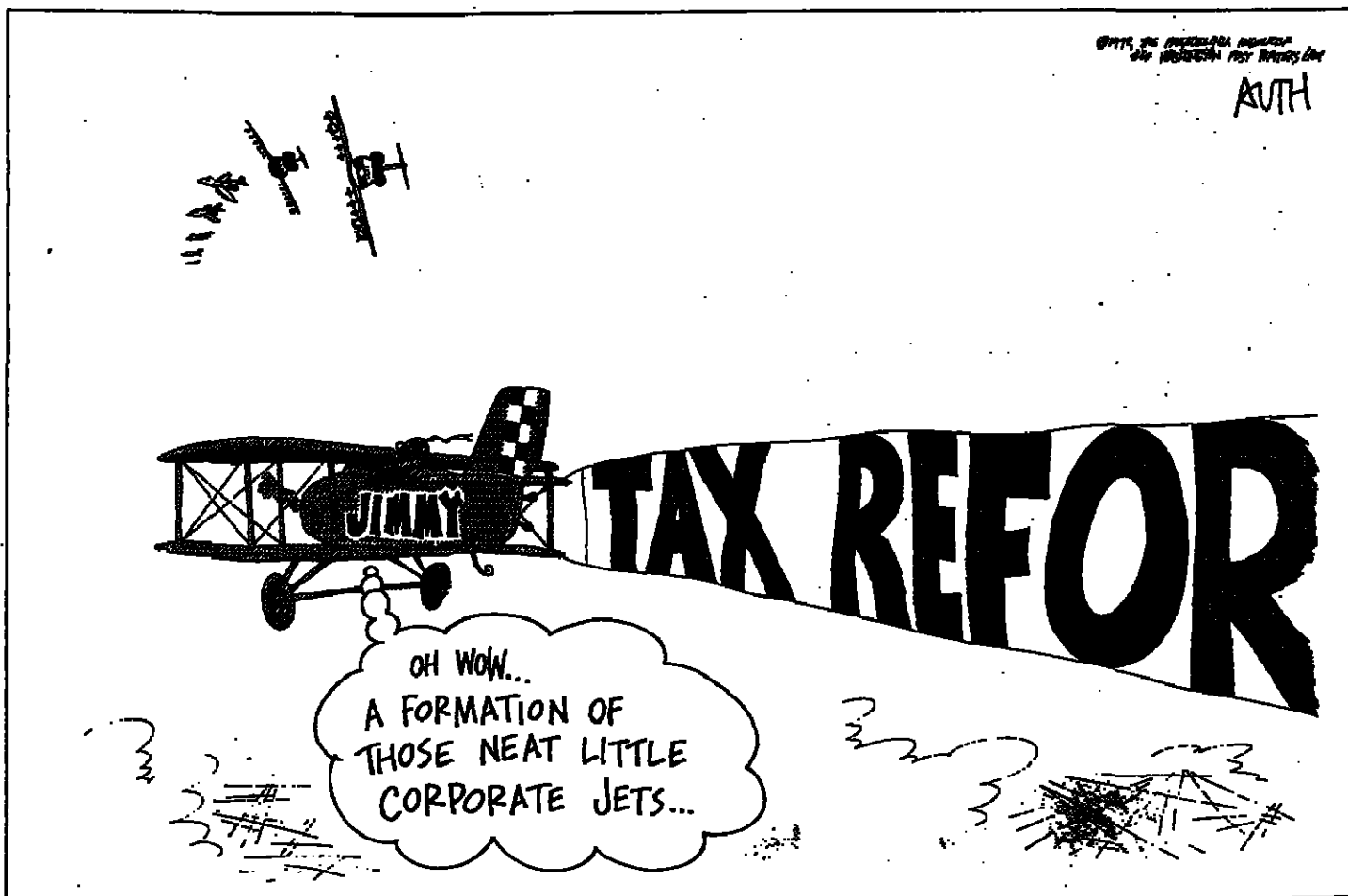
July 4, 1903

LONDON — "Upon seeing a motor car do not attempt to cross the road — if you do you'll be dead before you get to the other side." This warning, which was posted throughout Ireland for the Irish International Car race, which finished yesterday, may have been partially responsible for the low casualty incidence in that race. "Call that race? Nonsense, no one was killed," was the most common point of view held by the pundits after the race.

Fifty Years Ago

July 4, 1928

PARIS — Beneath a canopy of intertwined U.S. and French flags, French Premier Raymond Poincaré and U.S. Ambassador Myron T. Herrick last night pledged lasting amity between the United States and France at the 35th annual independence day celebration of the American Chamber of Commerce in Paris. Mr. Herrick, in a toast to Mr. Poincaré, pledged that the United States, with the assistance of France, would do everything in its power to pursue the road to universal peace.



Provinces Gaining Power In Canada

By Hobart Rowen

OTTAWA — In front of the Canadian Parliament, a great torch blazes in dedication to "national unity."

But Canadian unity is being eroded today by divisions that are adding power to the 10 provinces, already strong, and weakening the federal government.

"We're in the flow of power now toward the provinces," says a former federal official, "part of which is caused by the over-reach of government — the same forces that brought about Proposition 13 [in California]. So the correct political and economic posture is to accommodate that end. It'll flow back — it won't destroy the country."

Trend Is Clear

The decentralization trend is clear, even though the once-feared clout of the separatist movement in French-speaking Quebec Province has faded. A recent poll by the Canadian Broadcasting Corp. indicated that Rene Levesque's Parti Quebecois probably would lose power in the next election — 1980 or 1981 — to the Liberal Party, whose provincial leader is a popular French Canadian, former journalist Claude Ryan.

To be sure, Ryan insists on a special French identity for Quebec but he appears willing to let French nationalism and cultural objectives evolve within the federation — rather than outside, which has been Levesque's objective. Recently, Quebec's provincial assembly passed, 59-17, a law laying the groundwork for a referendum on the independence issue. Levesque has promised such a vote in the next two years. Liberal party efforts to make the referendum a confidence issue were defeated.

Quebec's fervent French nationalism has roots not only in 300 years of settlement in the St. Lawrence Valley, but also in economics. Although 80 percent of Quebec's citizens speak French, the provincial economy is dominated by English-speakers. According to a recent survey, 85 percent of the top 110 corporations in Quebec are owned by English-Canadians. Almost nine out of 10 of those had not a single French-speaker in the top management.

Guy J. Desmarais, president of a Montreal investment firm, points out that the English-speakers' exclusion of the French-speakers from private economic affairs drove them into government service, where they gradually used political power to put the squeeze on the English-speakers — culminating in the Levesque victory at the polls in 1976.

Language Rights

But whether Levesque's or Ryan's party eventually holds power in Quebec, most observers had to agree that neither Canada nor Quebec is ever going to be the same. Prime Minister Pierre Elliott Trudeau has proposed constitutional reforms that not only guarantee equality of language rights for all French Canadians but call for a greater role in Ottawa for all of the provinces.

The principal mechanisms he proposed are an altered upper house in Parliament, with more equalized representation, and a revised Supreme Court giving the provinces more representation.

Thus, western British Columbia would get a permanent seat on the Supreme Court, where the booming province has not had a Supreme Court justice since 1962.

Trudeau's effort to give the provinces more say, and thus defuse the separatist movement, goes too far for some and not far enough for others. For the great bulk of English-speaking Canada — which outside of Quebec tends to be bored with the separatist issue — Trudeau has already made too many concessions to French nationalism.

Recently the wealthy province of Ontario, dominated by English-speaking Protestants — but with the largest French-speaking population outside of Quebec — refused to back legislation guaranteeing that federal publications would be provided in French as well as English.

'Rednecks'

Gov. William G. Davis' provincial government in Ontario has voluntarily added more French-language services than used to be the

case. But in fact, there is little sympathy in much of Ontario for bilingualism, an attitude that has earned the province, and its capital, Toronto, a "redneck" reputation.

The degree of prejudice against the French here is enormous," says Prof. Douglas Hartle of Toronto. "Language has replaced religion as a source of antagonism."

"Ontario had a long, long tradition of Protestant-Catholic antagonism, the sort of situation that may have existed in Boston some years back." In small towns on Ontario years ago, Hartle says, "the Irish Protestants met and yelled against the Pope, very much like in Northern Ireland."

The civilized but still snappish mood among the provinces is illustrated by Quebec's insistence on giving priority to that province's construction workers in Hull, Quebec, just across the river from Ottawa, which is in Ontario.

No Reversal

Gov. Davis has related with a demand that the Supreme Court rule Quebec's step unconstitutional. Failing that, Davis said, in an interview, he'll try to block Quebecers from construction jobs in Ontario. "I suppose we'll hear the 'redneck' charge again," said an Ontario government staffer, "but what else can we do?"

Hartle, an unofficial adviser to many Canadian governments, says that "this mood toward increasing

provincial autonomy isn't going to be reversed."

The Canadian provinces already have much more power vis-a-vis the central government than do the separate states in the United States. Now, the provinces want the Ottawa government to lower federal taxes so that the provinces can raise their own rates without annoying the taxpayers.

They are also seeking a curb on the power of the federal government to spend money, which the provinces argue allows Ottawa, rather than the several jurisdictions, to set priorities.

National Issue

Another concern is that the federal government has become increasingly involved in policies on natural resources, which nominally are in provincial jurisdiction. For example, oil-rich Alberta wants to control its own supplies, and would like Ottawa to keep its hands off.

At a minimum, analysts here think that even if the provinces cannot keep control in the face of what amounts to a national issue, as in the case of energy, they will force Ottawa to seek concurrence through consultation.

These analysts expect a continued movement of financial power from Montreal to Toronto, which is already the real center of banking and insurance. But there is a further shift ahead to the west. Already, more of Canada's gross

national product comes from west of Ontario than east, reversing the situation of two years ago.

An important question to which there is no ready answer is how a trend toward a weaker central government would affect Canada's ability to deal effectively with other large industrial nations on key international questions.

Meanwhile, Trudeau and the federal bureaucracy here keep trying to promote "a Canadian identity" based on the diverse nature and twin cultural origins of Canadian society. They try to persuade the Quebecers that French culture will have a better chance to survive within a Canadian nation, where the French-speakers are 25 percent of a total 24 million population, than as a tiny ghetto on its own among several hundred million North Americans.

Struggles

But just as Trudeau also struggles to prevent the whole of Canada from being assimilated by the colossal impact of U.S. culture, the Quebecers fight against being assimilated into what Camille Laurin, Quebec's minister of cultural development, calls "the North American melting pot."

"Except for the war years," says a thoughtful Canadian, "and perhaps a burst of feeling around the centennial in 1976, 'We've never come together as a nation. For the rest, Canada has simply been a commercial operation.'"

'Quiet of a Storm Center'

By Anthony Lewis

WASHINGTON — Last October Dr. Harold Speth of Michigan University appeared on National Public Radio to talk about the Bakke case. He had programmed a computer on the voting pattern of the nine Supreme Court justices, he said, and on the issues in this case. On the basis of the computer analysis, he could predict that the Court would decide unanimously in favor of Allan Bakke.

One happy result of the Bakke decision is its proof that the Supreme Court remains unpredictable. The judges are not computers but human beings; products of their experience, fallible, moved by a variety of beliefs. The slogans applied by outsiders — "liberal" and "conservative," for example — never work consistently.

A notable aspect of the Bakke case was the failure of any forecast that the four Nixon appointees on the Court would stick together. Two, Chief Justice Burger and Justice Rehnquist, were among four judges who thought the special admissions program at the University of California at Davis Medical School violated federal law. Justice Blackmun was among the four who found the program valid under both the law and the Constitution. Justice Powell took a middle view that decided the case.

Justice Blackmun's position was in a way the most interesting. He is personally close to Chief Justice Burger; they both come from Minnesota. Yet he not only divided from the chief justice in this most important case; he wrote a separate opinion making the argument for affirmative action in strong terms, and he articulated it with feeling from the bench last week.

That medicine was involved may have been especially important to Blackmun. He has been a trustee of the Mayo Foundation and has deep respect for the medical profession.

His opinion spoke of the small number of blacks at most medical schools. "If ways are not found to remedy that situation," he said, "the country can never achieve its professed goal of a society that is not race conscious."

One puzzle in the decision was the abrupt tone of the opinion by Justice Stevens, for himself and three others, concluding that Congress in the 1964 Civil Rights Act barred affirmative action programs of this kind by federally-aided institutions. The opinion read as if that conclusion were self-evident. But in 1964 few in Congress had focused on the issue, and the long legislative history hardly shows a clear intention to reach such a drastic result.

Then Stevens and his colleagues declined to consider the constitutional issue, saying the Supreme Court's tradition is to avoid constitutional questions when possible. That is indeed the tradition — when a case can be disposed of on other grounds. But here a 5-4 majority rejected the view that the statute decided the case, so how could the Constitution be ignored?

One guess, and it is only that, is that the Stevens opinion may at one point have commanded a majority. That is, at some stage of the justices' discussion of the Bakke case, five may tentatively have agreed that the Davis program violated the 1964 Act. Then one changed his view.

If there was such a shift, it would explain a number of things: the Stevens opinion's argument that the case could be disposed of without reaching the Constitution, the note of asperity that some detected in Stevens' voice as he announced the opinion, the long time taken by the Supreme Court to decide the case.

The guess may be wrong or right. Perhaps history will tell. In any

event it would not be particularly unusual if the majority changed during the Supreme Court's deliberations. Such shifts have been identified in a number of past cases. And after all, it is a good thing if a judge is able to change his mind — if reading a colleague's draft opinion or reflecting on the problem leads him to a different view.

When an important case is decided by a narrow majority, there is always a certain sense of public regret. The Supreme Court would be more convincing, people say, if it spoke with a single voice. Why can't the chief justice, or someone, persuade the nine to accommodate their differences?

Old Complaint

The complaint is an old one, but it can never be satisfied. The justices are nine individuals, with strongly-held views. And the Bakke case was bound to arouse differences. It found "the people like the justices divided." Justice Blackmun said from the bench — divided by "strands of heritage, strands of emotion."

The fact that judges differ makes some observers say, cynically, that they are just making political decisions. Of course the Supreme Court deals with the stuff of high politics, but its methods are not political. Listening to the justices last week, one knew that they were at least trying to find something deeper in their consciences.

Struggling for words to express the nature of their task in the Bakke case, they quoted from their great predecessors: Marshall and Brandeis, Cardozo and Frankfurter. What crossed my mind was Holmes on the Court: "We are very quiet here, but it is the quiet of a storm center."

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Commission Paritaire No 34 231



LDCs Say Trade Talks Ignore Role Charge Rich Nations Limit Consultations

By Victor Lusinchi

GENEVA, July 3 (NYT) — The less developed countries complained today at the Tokyo round of trade-liberalization negotiations here that they were being treated on a take-it-or-leave-it basis by the industrialized nations.

Speaking at the first full meeting open to all the 98 participating nations since Nov. 1976, the poorer lands charged that key negotiating documents were being drafted without their being given a say, and that their interests were not considered by the major powers when fixing a timetable for the completion of the negotiations.

They also charged that although they were interested in all aspects of the negotiations, they were being consulted only when it was a question of according them special treatment.

The charges were voiced by Petar Tomovic of Yugoslavia, the official spokesman for the 76 developing countries.

Today's meeting was called at the request of the developing countries because they feel that their interests are being ignored as the United States, the Common Market and Japan reach for an overall political agreement on a projected package of trade concessions by their self-imposed deadline of July 15.

Alonso McDonald, the head of the delegation to the talks, sought to soothe the poorer countries by assuring that they will be the "major beneficiaries" if the negotiations are successfully concluded.

They will benefit under the General Agreement on Tariffs and Trade rule that a concession made by one country to another is automatically extended to all participating countries and by not being called upon to make matching concessions for the benefits received, Mr. McDonald noted.

But the U.S. delegate counterattacked the developing countries when replying to their complaint that they were not able to participate fully in the negotiations. The United States, he said, had "conscientiously pursued" efforts to negotiate with the developing countries as rapidly as these "were ready to respond."

Both Mr. McDonald and the Japanese delegate Masao Sawaki recalled that the July 15 deadline the three had set for themselves would not mean the end of the negotiations.

DM Role Grows To 7% of States' Total Reserves

FRANKFURT, July 3 (AP-DJ) — Deutsche marks held as reserves has tripled since 1970 to about 7 percent of total reserves at the end of last year, Commerzbank reported today.

The DM's increased share was at the expense of sterling, the bank said, with some 80 percent of the world's reserves held in dollars at the end of 1977, virtually unchanged from 1970. Meanwhile, sterling's share dropped to 1.5 percent from 9 percent in 1970.

In sterling-oriented countries, Commerzbank said, the pound's reserve share plummeted to 25.7 percent last year from 72.4 percent in 1970 while the dollar's share grew to 44.6 from 17.2 percent and the DM's share slipped to 22 percent from virtually nothing.

The dollar's use as a reserve is especially strong in countries whose currencies are linked under the so-called "snake," which comprises West Germany, Denmark, Belgium-Luxembourg, the Netherlands and Norway. The dollar accounted for 95 percent of their reserves at end-1977 compared with 1.3 percent for the DM, Commerzbank said.

Company Reports

Revenue, Profits in Millions of Dollars

Chesley Systems			
	1978	1977	
Revenue	447.60	423.70	
Profits	37.60	49.40	
Per Share	1.91	2.59	
General Mills			
	1978	1977	
Revenue	702.40	738.60	
Profits	29.30	42.00	
Per Share	2.20	2.20	
General Mills			
	1978	1977	
Revenue	806.98	659.34	
Profits	22.01	21.29	
Per Share	0.44	0.39	
Flick			
	1977	1976	
Revenue	7.293	6.701	
Profits	37.50	52.80	

(Figures in Deutsche Marks)

FINANCIAL NEWS AND NOTES

J. Lyons Sees 'Marked Improvement'

J. Lyons & Co., the U.K. food processor and distributor, expects a "marked improvement" in performance for the year ending next March. Chairman N.L. Salmon says that "while it would be injudicious to forecast the outcome for the year, our experience so far in 1978 and indications from the marketplace, at present free from some of the perturbations which rendered the second half of last year so disappointing, persuade us that the recovery which we planned and expected is only delayed and that this year as a whole should see a marked improvement in the performance of (the) company." For the year ended last March, Lyons recorded a net loss of £8.95 million after losing £6.15 million a year earlier.

Occidentale Absorbs Alimentaire

Shareholders of Generale Occidentale, the French holding company of the banking, food and supermarket group controlled by Sir James Goldsmith, have authorized its board to go through with the absorption of its food subsidiary Generale Alimentaire. The merger was carried out through the exchange of two Alimentaire shares for one Occidentale. The holding company increased its capital to 141.77 million francs (about \$31.7 million) from 140.31 million francs by issuing 29,090 new shares. The company notes that Prudential Assurance of Britain has given up its 1.19-percent interest in Occidentale and that its major shareholders are: the Goldsmith group, 35 percent, Cie. Financiere Europeenne et d'Outre-Mer (a member of the Cie. Generale de Belgique group) 12.4 percent, Hambros Bank 8.9 percent, Caisse des Depots et de Consignations

4.11 percent, Union des Assurances de Paris 3.88 percent, and Sofexi (a member of the Renault group) 3.57 percent.

Grand Union Bid Challenged

Colonial Stores has responded harshly to a \$114-million acquisition offer by Grand Union, but says directors will still consider a proposal. Grand Union, a unit of Cavenham Ltd., announced last week that it said was a friendly offer to pay \$30 a share for Colonial's 3.8 million shares. But Colonial officials, calling Grand Union's announcement "deliberately false and misleading," say that management does not believe the offer "reflects Colonial's operations and prospects" and add that it will be submitted to directors for a response by July 10. Colonial and Grand Union are grocery chains. Cavenham, an affiliate of Generale Occidentale, of France, is a European supermarket and foods processing concern.

Republic Seeking Talcott Unit

Republic New York Corp. is planning to buy the assets and business of Talcott's factoring division for about \$107 million. Republic New York is the holding company for Republic National Bank of New York. Trade Development Bank of Luxembourg owns 62 percent of Republic. James Talcott is the principal subsidiary of Talcott National Corp., which has been attempting to sell the factoring division, along with its business finance receivables, to a group of investors. Talcott's books at \$238 million, as part of a debt reorganization plan. Last week, a proposed sale to a unit of Gulf & Western Industries for \$274 million in cash and notes fell through.

Said Planning Overseas Borrowing

China Seen Shifting Direct-Loan Policy

HONG KONG, July 3 (AP-DJ)

Fundamental policy changes on direct foreign borrowing are apparently under discussion in Peking, according to recent reports received here during a major Chinese conference on finance and trade.

Also, vice premier Li Hsien-

Nien, China's top financial

planner, reportedly said visiting

U.K. members of Parliament last

week that China intends to start

borrowing money from British

banks — after shunting such direct

borrowing in the past.

On Saturday, a high Communist

source in Hong Kong said that "it

is only a matter of time" before

China accepts loans openly. The

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payments on plant purchases from

overseas, which currently run into

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The importance of foreign credits

was underlined by a speech yesterday

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by Yu Chiu-Li, head of the state

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that the Bank of China maintains

with foreign banks and implied

that such forms of borrowing may

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foreign trade and expanded relations

with other countries, the role of

the bank will be expanded and

financial activities with foreign

countries will increase," he said.

"We must receive and use foreign

deposits in a planned way, handle

well the deposits of overseas Chi-

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One Western economist estimated

that China, which earned roughly

\$7 billion in foreign exchange

through exports last year and

which is estimated to have \$4 bil-

lion to \$5 billion in hard-currency

reserves, could borrow \$7 billion or

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debts."

In view of the country's good

credit standing, though, he predicted

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charged less for loans than other

less developed countries — perhaps

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V.K. Ranganathan, an economist

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4 percent and 23 percent, with an

estimated 1977 level of 11 percent.

Nien, China's top financial

planner, reportedly said visiting

U.K. members of Parliament last

week that China intends to start

borrowing money from British

banks — after shunting such direct

borrowing in the past.

On Saturday, a high Communist

source in Hong Kong said that "it

is only a matter of time" before

China accepts loans openly. The

source acknowledged that deferred

payments on plant purchases from

overseas, which currently run into

billions of dollars, are merely a

thinly disguised form of loans.

The importance of foreign credits

was underlined by a speech yesterday

to the finance and trade conference

by Yu Chiu-Li, head of the state

planning commission. He

openly discussed offsetting deposits

that the Bank of China maintains

with foreign banks and implied

that such forms of borrowing may

increase. "Along with the growth of

foreign trade and expanded relations

with other countries, the role of

the bank will be expanded and

financial activities with foreign

countries will increase," he said.

"We must receive and use foreign

deposits in a planned way, handle

well the deposits of overseas Chi-

nese, international settlements and

insurance operations, and develop

friendly international exchanges

through the bank's relations with

foreign countries."

One Western economist estimated

that China, which earned roughly

\$7 billion in foreign exchange

through exports last year and

which is estimated to have \$4 bil-

lion to \$5 billion in hard-currency

reserves, could borrow \$7 billion or

\$8 billion without difficulty. But

another analyst said that once bor-

rowings got up to \$5 billion or so,

"bankers would start to think

about how China would repay its

debts."

In view of the country's good

credit standing, though, he predicted

that China would probably be

Prices Drop Amid Light NYSE Trade Turnover Is Lowest Since January Storm

By Art Pine

WASHINGTON, July 3 (WP) — When the government publishes its latest quarterly report on the health of the economy in another few weeks, the statistics are expected to show something approaching a mini-boom. Early estimates indicate the gross national product, or the economy's total output, may have grown by as much as a 9-percent annual rate last quarter.

For all the ebullience in the April-June numbers, there is a growing possibility that the nation is headed for another recession. Economists say the major question is how deep — and how long — any such slump might go.

The outlook marks a decided shift from the forecasts of even a few months ago. The big difference is heightened inflation, whose rapid re-emergence has prompted the Federal Reserve to tighten money and credit policies sharply. The resulting steep rise in interest rates already has begun to crimp the housing industry, and many economists are convinced the impact of the crunch will spread to other sectors of the economy.

NYSE Nationwide Trading Closing Prices July 3

12 Month	Stock	High	Low	Div. in 5 Yld.	P/E	100s.	High	Low	Quot.	Close	Prev
20%	25%	30%	35%	40%	45%	50%	55%	60%	65%	70%	75%
12%	15%	18%	21%	24%	27%	30%	33%	36%	39%	42%	45%
10%	12%	14%	16%	18%	20%	22%	24%	26%	28%	30%	32%
8%	10%	12%	14%	16%	18%	20%	22%	24%	26%	28%	30%
6%	8%	10%	12%	14%	16%	18%	20%	22%	24%	26%	28%
4%	6%	8%	10%	12%	14%	16%	18%	20%	22%	24%	26%
2%	4%	6%	8%	10%	12%	14%	16%	18%	20%	22%	24%
1%	2%	3%	4%	5%	6%	7%	8%	9%	10%	11%	12%
0.5%	1%	1.5%	2%	2.5%	3%	3.5%	4%	4.5%	5%	5.5%	6%
0.25%	0.5%	0.75%	1%	1.25%	1.5%	1.75%	2%	2.25%	2.5%	2.75%	3%
0.125%	0.25%	0.375%	0.5%	0.625%	0.75%	0.875%	1%	1.125%	1.25%	1.375%	1.5%
0.0625%	0.125%	0.1875%	0.25%	0.3125%	0.375%	0.4375%	0.5%	0.5625%	0.625%	0.6875%	0.75%
0.03125%	0.0625%	0.09375%	0.125%	0.15625%	0.1875%	0.21875%	0.25%	0.28125%	0.3125%	0.34375%	0.375%
0.015625%	0.03125%	0.046875%	0.0625%	0.078125%	0.09375%	0.109375%	0.125%	0.140625%	0.15625%	0.171875%	0.1875%
0.0078125%	0.015625%	0.0234375%	0.03125%	0.0390625%	0.046875%	0.0546875%	0.0625%	0.0703125%	0.078125%	0.0859375%	0.09375%
0.00390625%	0.0078125%	0.01171875%	0.015625%	0.01953125%	0.0234375%	0.02734375%	0.03125%	0.03515625%	0.0390625%	0.04296875%	0.046875%
0.001953125%	0.00390625%	0.005859375%	0.0078125%	0.009765625%	0.01171875%	0.013671875%	0.015625%	0.017578125%	0.01953125%	0.021484375%	0.0234375%
0.0009765625%	0.001953125%	0.0029296875%	0.00390625%	0.0048828125%	0.005859375%	0.0068359375%	0.0078125%	0.0087890625%	0.009765625%	0.0107421875%	0.01171875%
0.00048828125%	0.0009765625%	0.00146484375%	0.001953125%	0.00244140625%	0.0029296875%	0.00341796875%	0.00390625%	0.00439453125%	0.0048828125%	0.00537109375%	0.005859375%
0.000244140625%	0.00048828125%	0.000732421875%	0.0009765625%	0.001220703125%	0.00146484375%	0.001708984375%	0.001953125%	0.002197265625%	0.00244140625%	0.002685546875%	0.0029296875%
0.0001220703125%	0.000244140625%	0.0003661015625%	0.00048828125%	0.0006101628125%	0.000732421875%	0.0008546821875%	0.0009765625%	0.001098821875%	0.001220703125%	0.001342963125%	0.00146484375%
0.00006101628125%	0.0001220703125%	0.0001830859375%	0.000244140625%	0.0003052109375%	0.0003661015625%	0.0004271921875%	0.00048828125%	0.000549371875%	0.0006101628125%	0.0006711534375%	0.000732421875%
0.00003052109375%	0.00006101628125%	0.00009154296875%	0.0001220703125%	0.000152590625%	0.0001830859375%	0.00021358125%	0.000244140625%	0.0002746369375%	0.0003052109375%	0.0003357071875%	0.0003661015625%
0.0000152590625%	0.00003052109375%	0.000045781453125%	0.00006101628125%	0.0000762703125%	0.00009154296875%	0.00010681453125%	0.0001220703125%	0.000137341875%	0.000152590625%	0.000167859375%	0.0001830859375%
0.00000762703125%	0.0000152590625%	0.000022892871875%	0.00003052109375%	0.00003814596875%	0.000045781453125%	0.00005341453125%	0.00006101628125%	0.0000686171875%	0.0000762703125%	0.0000838734375%	0.00009154296875%
0.000003814596875%	0.00000762703125%	0.000011441453125%	0.0000152590625%	0.000019074609375%	0.000022892871875%	0.000026711171875%	0.00003052109375%	0.00003433096875%	0.00003814596875%	0.00004195584375%	0.000045781453125%
0.0000019074609375%	0.000003814596875%	0.000005720703125%	0.00000762703125%	0.00000952609375%	0.000011441453125%	0.000013351453125%	0.0000152590625%	0.0000171690625%	0.000019074609375%	0.000020979609375%	0.000022892871875%
0.000000952609375%	0.0000019074609375%	0.00000285371875%	0.000003814596875%	0.00000476484375%	0.000005720703125%	0.00000667578125%	0.00000762703125%	0.000008582109375%	0.00000952609375%	0.0000104771875%	0.000011441453125%
0.000000476484375%	0.000000952609375%	0.000001429453125%	0.0000019074609375%	0.00000238546875%	0.00000285371875%	0.00000332978125%	0.000003814596875%	0.000004289559375%	0.00000476484375%	0.000005239609375%	0.000005720703125%
0.000000238546875%	0.000000476484375%	0.0000007147265625%	0.000000952609375%	0.00000119074609375%	0.000001429453125%	0.0000016690625%	0.0000019074609375%	0.00000214609375%	0.00000238546875%	0.000002624609375%	0.00000285371875%
0.000000119074609375%	0.000000238546875%	0.00000035736328125%	0.000000476484375%	0.00000059546875%	0.0000007147265625%	0.000000833828125%	0.000000952609375%	0.000001071690625%	0.00000119074609375%	0.00000130979609375%	0.000001429453125%
0.000000059546875%	0.000000119074609375%	0.00000017859375%	0.000000238546875%	0.00000029759375%	0.00000035659375%	0.00000041559375%	0.00000047459375%	0.00000053359375%	0.00000059259375%	0.00000065159375%	0.00000071059375%
0.000000029759375%	0.000000059546875%	0.000000089259375%	0.000000119074609375%	0.000000148759375%	0.00000017859375%	0.00000020839375%	0.00000023819375%	0.00000026799375%	0.00000029759375%	0.00000032719375%	0.00000035659375%
0.0000000148759375%	0.000000029759375%	0.000000044609375%	0.000000059546875%	0.0000000743759375%	0.000000089259375%	0.0000001041453125%	0.000000119074609375%	0.0000001339609375%	0.000000148759375%	0.0000001636453125%	0.00000017859375%
0.00000000743759375%	0.0000000148759375%	0.00000002231453125%	0.000000029759375%	0.00000003719609375%	0.000000044609375%	0.0000000520519375%	0.000000059546875%	0.0000000670419375%	0.0000000743759375%	0.0000000818719375%	0.000000089259375%
0.000000003719609375%	0.00000000743759375%	0.00000001117703125%	0.0000000148759375%	0.000000018578125%	0.00000002231453125%	0.000000026015625%	0.000000029759375%	0.0000000335019375%	0.00000003719609375%	0.00000004089259375%	0.000000044609375%
0.0000000018578125%	0.000000003719609375%	0.00000000556828125%	0.00000000743759375%	0.00000000934765625%	0.00000001117703125%	0.0000000130519375%	0.0000000148759375%	0.00000001670419375%	0.000000018578125%	0.0000000204519375%	0.00000002231453125%
0.000000000934765625%	0.0000000018578125%	0.0000000027841875%	0.000000003719609375%	0.0000000046484375%	0.00000000556828125%	0.0000000064871875%	0.00000000740609375%	0.00000000832509375%	0.00000000924409375%	0.00000001016309375%	0.00000001108209375%
0.00000000046484375%	0.000000000934765625%	0.00000000139209375%	0.0000000018578125%	0.00000000231453125%	0.00000000277109375%	0.00000000322765625%	0.00000000368421875%	0.00000000414078125%	0.00000000459734375%	0.00000000505390625%	0.00000000551046875%
0.000000000231453125%	0.00000000046484375%	0.00000000069609375%	0.000000000934765625%	0.000000001173519375%	0.000000001412519375%	0.000000001651519375%	0.000000001890519375%	0.000000002129519375%	0.000000002368519375%	0.000000002607519375%	0.000000002846519375%
0.0000000001173519375%	0.000000000231453125%	0.0000000003471875%	0.00000000046484375%	0.000000000581453125%	0.00000000069609375%	0.0000000008107296875%	0.000000000925371875%	0.0000000010400140625%	0.00000000115465625%	0.0000000012692984375%	0.000000001383940625%
0.0000000000581453125%	0.0000000001173519375%	0.00000000017578125%	0.000000000231453125%	0.000000000287125%	0.000000000342796875%	0.00000000039846875%	0.000000000454140625%	0.0000000005098125%	0.000000000565484375%	0.00000000062115625%	0.000000000676828125%
0.0000000000287125%	0.0000000000581453125%	0.000000000087890625%	0.0000000001173519375%	0.0000000001468125%	0.0000000001762703125%	0.0000000002057296875%	0.0000000002351875%	0.0000000002646453125%	0.0000000002941034375%	0.0000000003235615625%	0.0000000003530196875%
0.00000000001468125%	0.0000000000287125%	0.000000000043828125%	0.0000000000581453125%	0.0000000000724609375%	0.0000000000869171875%	0.0000000001013734375%	0.0000000001158296875%	0.0000000001302859375%	0.0000000001447421875%	0.0000000001591984375%	0.0000000001736546875%
0.00000000000724609375%	0.00000000001468125%	0.0000000000218828125%	0.0000000000287125%	0.000000000035659375%	0.000000000042519375%	0.000000000049379375%	0.000000000056239375%	0.000000000063099375%	0.000000000069959375%	0.000000000076819375%	0.000000000083679375%
0.0000000000035659375%	0.00000000000724609375%	0.0000000000109074609375%	0.00000000001468125%	0.000000000018484375%	0.00000000002228125%	0.000000000026078125%	0.000000000029875%	0.000000000033671875%	0.00000000003746875%	0.000000000041265625%	0.0000000000450625%
0.0000000000018484375%	0.0000000000035659375%	0.0000000000052619375%	0.00000000000724609375%	0.0000000000092390625%	0.00000000001123209375%	0.000000000013225125%	0.00000000001521815625%	0.0000000000172111875%	0.00000000001920421875%	0.00000000002119725%	0.00000000002319028125%
0.00000000000092390625%	0.0000000000018484375%	0.000000000002734375%	0.0000000000035659375%	0.000000000004453125%	0.000000000005340625%	0.000000000006228125%	0.000000000007115625%	0.000000000008003125%	0.000000000008890625%	0.000000000009778125%	0.000000000010665625%
0.000000000000461953125%	0.00000000000092390625%	0.000000000001370625%	0.0000000000018484375%	0.0000000000023265625%	0.0000000000028046875%	0.0000000000032828125%	0.0000000000037609375%	0.0000000000042390625%	0.0000000000047171875%	0.0000000000051953125%	0.0000000000056734375%
0.0000000000002309765625%	0.000000000000461953125%	0.00000000000068796875%	0.00000000000092390625%	0.00000000000115984375%	0.00000000000139578125%	0.00000000000163171875%	0.00000000000186765625%	0.00000000000210359375%	0.00000000000233953125%	0.00000000000257546875%	0.00000000000281140625%
0.000000000000115984375%	0.0000000000002309765625%	0.000000000000346953125%	0.000000000000461953125%	0.0000000000005779296875%	0.00000000000068890625%	0.00000000000080088125%	0.00000000000091185625%	0.00000000000102283125%	0.00000000000113380625%	0.00000000000124478125%	0.00000000000135575625%
0.00000000000005779296875%	0.000000000000115984375%	0.0000000000001759765625%	0.0000000000002309765625%	0.00000000000029096875%	0.0000000000003509609375%	0.000000000000410953125%	0.0000000000004709453125%	0.0000000000005309375%	0.0000000000005909296875%	0.000000000000650921875%	0.0000000000007109140625%
0.000000000000029096875%	0.00000000000005779296875%	0.000000000000085984375%	0.000000000000115984375%	0.0000000000001459765625%	0.00000000000017596875%	0.0000000000002059609375%	0.000000000000235953125%	0.0000000000002659453125%	0.0000000000002959375%	0.0000000000003259296875%	0.000000000000355921875%
0.00000000000001											

th	Stock	Sls.	Close	Ch'ge Prev	12 Month	Stock	Sls.	Close	Ch'ge Prev	12 Month	Stock	Sls.	Close
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(Continued on Page 10)

established at Dent

1,307,770 registered shares/bearer depositary receipts ("BDRs"), with warrants-1978, of Dfls 10 each, in denominations of 1x Dfls 10, 10x Dfls 10 and 100x Dfls 10, entitled to the dividends payable in respect of the financial year ending 31 December 1978 and subsequent years.

Subscription

Open only to holders of preferential rights in respect of the presently registered outstanding shares/BDRs on the basis of 1 new registered share/BDR of Dfls 10 for every 10 registered shares/BDRs already held and for the holders of preferential rights in respect of the presently outstanding warrants on the basis of 1.1 new registered share/BDR of Dfls 10 for every warrant already held.

Warrant - 1978

With every subscription on 20 registered shares/BDRs each subscriber receives one option - embodied in a warrant-1978- to purchase 10 BDRs Nationale-Nederlanden N.V. of Dfls 10 each, at a price of Dfls 125 per BDR.

Dividend coupon no. 34 of the registered shares and BDRs has been designated the rights coupon. In respect of the presently outstanding warrants, receipts nos. 1 and 2 are designated for obtaining Dfls 10 and Dfls 1 nominal value of new capital respectively.

Dealing in rights

On Tuesday 11 July 1978 from 9 a.m. until 3 p.m. at the offices of the undersigned in Amsterdam, Rotterdam and The Hague, as applicable.

Prospectus

Copies of the Prospectus in Dutch, subscription forms and copies of the abridged Prospectus in English are available at the above-mentioned offices of the undersigned.

Amsterdam, 29 June 1978.

FEDERATIVE REPUBLIC OF BRAZIL

Dfls 75,000,000
7½ % Bearer Notes 1978 due 1983

Algemene Bank Nederland N.V.

Deutsche Bank Aktiengesellschaft

Merrill Lynch International & Co.

Amsterdam-Rotterdam Bank N.V.

Bank Mees & Hope NV

Pierson, Heldring & Pierson N.V.

July 4, 1978

ALGEMENE BANK NEDERLAND N.V.

BANK MEES & HOPE NY

AMSTERDAM-ROTTERDAM BANK N.V.

**HOLLANDSCHE BANK-UNIE N.V.
BANK MORGAN LA BOUCHERE N.V.
NEDERLANDSE CREDIETBANK N.V.
NEDERLANDSCHE MIDDENSTANDSBANK N.V.
PIERSON, HELDRING & PIERSON N.V.
N.V. SLAVENBURG'S BANK
VAN DER HOOP, OFFERS & ZOON N.V.
COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.**

NEW YORK, July 3, 1978
Cash prices in primary markets as registered today in New York were:

Commodity and unit	Mon	Tue	Wed	Thur	Fri	Sat	Sun
COFFEES							
Cocoa Arriba, lb.	1.70	1.70	1.70	1.70	1.70	1.70	1.70
Cocoa 4 Santos, lb.	1.70	1.70	1.70	1.70	1.70	1.70	1.70
TELETYPE							
Princeton 6400 3P, 4P, 5P	0.44	0.44	0.44	0.44	0.44	0.44	0.44
METALS							
Steel billets (PH), lb.	30.50	30.50	30.50	30.50	30.50	30.50	30.50
Iron 2 Pym, PH, lb.	21.70	21.70	21.70	21.70	21.70	21.70	21.70
Steel sheet No. 10, PH, lb.	21.70	21.70	21.70	21.70	21.70	21.70	21.70
Lead, 100 lb.	0.31	0.31	0.31	0.31	0.31	0.31	0.31
Copper, 100 lb.	0.59	0.59	0.59	0.59	0.59	0.59	0.59
Aluminum, 100 lb.	0.59	0.59	0.59	0.59	0.59	0.59	0.59
Gold N.Y. 100, 100 oz.	124.31	124.31	124.31	124.31	124.31	124.31	124.31
Silver N.Y. 100, 100 oz.	5.29	5.29	5.29	5.29	5.29	5.29	5.29
Commodity Index (1967=100)	102.5	102.5	102.5	102.5	102.5	102.5	102.5
Gold N.Y. 100, 100 oz.	124.31	124.31	124.31	124.31	124.31	124.31	124.31
Silver N.Y. 100, 100 oz.	5.29	5.29	5.29	5.29	5.29	5.29	5.29
Commodity Index (1967=100)	102.5	102.5	102.5	102.5	102.5	102.5	102.5

NEW YORK FUTURES

July 3, 1978

Open	High	Low	Close	Chg
MAINE POTATOES				
100 lb. cwt.	5.27	5.24	5.25	-0.01
Nov	5.27	5.24	5.25	-0.01
Mar	5.27	5.24	5.25	-0.01
May	5.27	5.24	5.25	-0.01
Est. sales: 500; sales Fri. 345.				
Total open interest Fri. 4,113, off 22 from Thur.				

COFFEE

100 lb. cwt.

Open	High	Low	Close	Chg
100 lb. cwt.	155.45	155.40	155.42	-0.03
Nov	155.45	155.40	155.42	-0.03
Mar	155.45	155.40	155.42	-0.03
May	155.45	155.40	155.42	-0.03
Est. sales: 225; sales Fri. 545.				
Total open interest Fri. 2,932, off 75 from Thur.				

SUGAR NO. 11

112,000 lb. cwt.

Open	High	Low	Close	Chg
112,000 lb. cwt.	6.82	6.82	6.82	-0.09
Nov	6.82	6.82	6.82	-0.09
Mar	6.82	6.82	6.82	-0.09
May	6.82	6.82	6.82	-0.09
Est. sales: 1,001; sales Fri. 413.				
Total open interest Fri. 34,164, off 1,424 from Thur.				

COCAOA

100 lb. cwt.

Open	High	Low	Close	Chg
100 lb. cwt.	149.50	149.50	149.50	+1.40
Nov	149.50	149.50	149.50	+1.40
Mar	149.50	149.50	149.50	+1.40
May	149.50	149.50	149.50	+1.40
Est. sales: 500; sales Fri. 535.				
Total open interest Fri. 4,045, off 21 from Thur.				

ORANGE JUICE

15,000 lb. cwt.

Open	High	Low	Close	Chg
15,000 lb. cwt.	122.00	122.00	122.00	+0.90
Nov	122.00	122.00	122.00	+0.90
Mar	122.00	122.00	122.00	+0.90
May	122.00	122.00	122.00	+0.90
Est. sales: 700; sales Fri. 957.				
Total open interest Fri. 12,878, off 21 from Thur.				

European Gold Markets

July 3, 1978

Open	High	Low	Close	Chg
Open	183.00	183.25	N.C.	
London	183.00	183.25	N.C.	
Zurich	183.00	183.25	N.C.	
Paris (125 U.S. dollars per ounce)	183.00	183.25	N.C.	

U.S. Commodity Prices

COTTON, No. 2

Open	High	Low	Close	Chg
Open	55.00	55.00	55.00	-0.80
Nov	55.00	55.00	55.00	-0.80
Mar	55.00	55.00	55.00	-0.80
May	55.00	55.00	55.00	-0.80
Est. sales: 4,250; sales Fri. 3,144.				
Total open interest Fri. 21,726, off 287 from Thur.				

SOYBEAN OIL

100 lb. cwt.

Open	High	Low	Close	Chg
Open	24.50	24.50	24.50	-0.20
Nov	24.50	24.50	24.50	-0.20
Mar	24.50	24.50	24.50	-0.20
May	24.50	24.50	24.50	-0.20
Est. sales: 4,250; sales Fri. 3,144.				
Total open interest Fri. 21,726, off 287 from Thur.				

WHEAT

100 lb. cwt.

Open	High	Low	Close	Chg
Open	3.11	3.11	3.11	+0.24
Nov	3.11	3.11	3.11	+0.24
Mar	3.11	3.11	3.11	+0.24
May	3.11	3.11	3.11	+0.24
Est. sales: 1,001; sales Fri. 413.				
Total open interest Fri. 34,164, off 1,424 from Thur.				

CHICAGO FUTURES

July 3, 1978

Open	High	Low	Close	Chg
Open	3.11	3.11	3.11	+0.24
Nov	3.11	3.11	3.11	+0.24
Mar	3.11	3.11	3.11	+0.24
May	3.11	3.11	3.11	+0.24
Est. sales: 1,001; sales Fri. 413.				
Total open interest Fri. 34,164, off 1,424 from Thur.				

SOYBEANS

100 lb. cwt.

Open	High	Low	Close	Chg
Open	24.50	24.50	24.50	-0.20
Nov	24.50	24.50	24.50	-0.20
Mar	24.50	24.50	24.50	-0.20
May	24.50	24.50	24.50	-0.20
Est. sales: 4,250; sales Fri. 3,144.				
Total open interest Fri. 21,726, off 287 from Thur.				

ICEBERG BROILERS

100 lb. cwt.

Open	High	Low	Close	Chg
Open	3.11	3.11	3.11	+0.24
Nov	3.11	3.11	3.11	+0.24
Mar	3.11	3.11	3.11	+0.24
May	3.11	3.11	3.11	+0.24
Est. sales: 1,001; sales Fri. 413.				
Total open interest Fri. 34,164, off 1,424 from Thur.				

ICEBERG BROILERS

100 lb. cwt.

Open	High	Low	Close	Chg
Open	3.11	3.11	3.11	+0.24
Nov	3.11	3.11	3.11	+0.24
Mar	3.11	3.11	3.11	+0.24
May	3.11	3.11	3.11	+0.24
Est. sales: 1,001; sales Fri. 413.				
Total open interest Fri. 34,164, off 1,424 from Thur.				

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Open	High	Low	Close	Chg
Open	3.11	3.11	3.11	+0.24
Nov	3.11	3.11	3.11	+0.24
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May	3.11	3.11	3.11	+0.24
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Mar	3.11	3.11	3.11	+0.24
May	3.11	3.11	3.11	+0.24
Est. sales: 1,001; sales Fri. 413.				
Total open interest Fri. 34,164, off 1,424 from Thur.				

NYSE Nationwide Trading Closing Prices July 3

12 Month Stock

High	Low	Div.	Yld.	P/E	100s	High	Low	Close	Chg
12 Month Stock									
High									
Low									
Div.									
Yld.									
P/E									
100s									
High									
Low									
Close									
Chg									

PLATINUM

100 troy oz.

Open	High	Low	Close	Chg
Open	220.00	220.00	220.00	+0.00
Nov	220.00	220.00	220.00	+0.00
Mar	220.00	220.00	220.00	+0.00
May	220.00	220.00	220.00	+0.00
Est. sales: 1,001; sales Fri. 413.				
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May	220.00	220.00	220.00	+0.00
Est. sales: 1,001; sales Fri. 413.				
Total open interest Fri. 34,164, off 1,424 from Thur.				

PLATINUM

Aug	N.T.	N.T.	945	958	-
225 lots					
COCOA					
Jul	N.T.	N.T.	-	1,680	+
See	1,565	1,520	1,544	1,550	+
Dec	1,475	1,475	1,455	1,475	+
Mar	N.T.	N.T.	1,425	-	-
May	N.T.	N.T.	1,410	-	Un
130 lots	N.T.	N.T.	N.Q.	N.Q.	

130 lots

Monday's.

New Highs and Low

NEW HIGHS—11

EdwardsAGN	Handlemm	HuntInIR
EmDfs 9.16pf	Holly Sug	Sierrend
Federal Co	HandMet	Vulcan M

Art Buchwald

Anti-Independence

WASHINGTON — As we celebrate the 4th of July this year a thought occurs to me. What if the 13 colonies had to deal with the number of lobbyists we now have registered when they were trying to come up with an acceptable Declaration of Independence?

The delegates then meeting in Philadelphia would have to hold hearings on it.

The first spokesman would be President of the God Save the King Assn.

He would read from his notes: "Gentlemen, my organization opposes this declaration as an affront to everything these great colonies stand for. It is full of accusations and half-truths about His Majesty. If this Declaration of Independence is passed, we will see nothing but chaos, violence and a drop in the gross national product."



Buchwald

This document invites anarchy. It is seditious and a call to overthrow the government by force. The God Save the King Assn. will not stand idly by and see it passed. We intend to raise a war chest to see that it is defeated. Anyone who votes for it will be opposed by our organization in any future elections."

The next witness would be the president of the British-American Chamber of Commerce. "Gentlemen, I cannot tell you how strongly the British-American Chamber of Commerce feels about the Declaration of Independence. It is the most

Women Gain Little In U.S. Companies

NEW YORK, July 3 (AP) — Despite increasing recognition of women's rights during recent years, a survey by Fortune magazine shows that females hold virtually the same percentage of top U.S. company jobs that they did five years ago.

According to the survey, less than 0.2 percent of the officers and directors of the 1,300 major U.S. companies are women.

anti-business document ever presented to a legislative body.

"If it is passed by this Congress, we can expect to see American businesses fail, factories shut down, a disastrous decline in trade that will lead to inflation, a balance of payments crisis, and an inevitable rise in the price of tea. While some charges against the King may be valid, we have to look at the big picture. The very life blood of our commerce is England. In order to do business with her, we have to put up with some petty inconveniences."

"It's true that taxes are high, but are they going to become any lower if we break away from the mother country? Our economists estimate that independence will raise the base tax in this country by 30 percent. This tax will have to be passed on to the consumer. You people must come to your senses. The business community cannot afford a revolution."

"Before you vote on this, ask yourselves: 'Do we want liberty, justice and the pursuit of happiness or do we want a sound and healthy economy?'"

A third witness would be the commander of the Veterans of the French and Indian Wars.

"I am here to speak for the soldiers who served His Majesty during the great North American War. We believe that the declaration you are planning to sign is a left-wing radical plot, financed by unnamed European powers who have everything to gain and nothing to lose by the States and Britain going at each other's throats. We ask that a congressional committee investigate the people behind this subversive attempt to overthrow the system. They are spitting on the Union Jack and must be brought to the bar of justice and hanged, and left slowly twisting in the wind."

The last lobbyist to speak would be Roger Nader, who would say he could not support the declaration because there was no mention in it of seat belts for 1776 two-horse carriages.

After the hearings, the Declaration of Independence Committee would decide to adjourn until July 10. When asked why, the chairman would reply, "The Continental Congress never works on the July 4th weekend."

One learns very quickly that German reporters come up with better rumors than Italian reporters

Reporter's Notes on Covering a Wedding

By Jeffrey Robinson

MONTE CARLO, July 3 (IHT) — And so they got married. The bride wore white. The groom was nervous. Frank Sinatra was there. Cary Grant was there. And nearly 200 reporters and photographers were not. The press was kept as far away from the ceremony as the police could keep them... which in this case was outside the security-tight palace... as they jostled for handout photographs and minor bits of information that "spokesmen" were flinging at them like volunteers in Bowery soup kitchens.

Princess Caroline of Monaco is now Mrs. Philippe Junot... and that shouldn't come as a surprise to anyone who has spent the last six months in almost any part of the Western world. But unlike White House weddings with live television... or Buckingham Palace weddings with souvenir tee-shirts on sale across the street, there was none of that here. This wedding was held in the strictest of family privacy, with an official guest list of under 600.

Because the Throne Room is far too small for that many, only the immediate family... about 50... attended Wednesday's civil ceremony. Thursday's religious ceremony, planned for the palace chapel, was finally held outside at the last minute because the family decided to include all their guests. The working press wasn't notified of the change.

The quiet that Hebe Dorsey reported from here in Tuesday's IHT disintegrated rapidly as the marriage approached. It wasn't the chaos that came with the marriage of Rainier and Grace. But it wasn't exactly the calm that comes with simple family affairs. How could it have been... with 200 reporters and photographers, each of them trying to outstrip the other, and none of them having anything more to

report on than printed handouts and the gospel of a "spokesman."

First Handout

The quiet started to dissolve with the first handout, a press kit, free for the asking to any reporter or photographer. In English or French, noting that the press would be permitted to operate in total freedom, without special permission... although the press would not be admitted into any official ceremony or any of the parties. The rest of the press kit was made up of histories of the Throne Room, the chapel, Princess Caroline and what everyone was wearing. A late entry, this one complete with photograph, was all about the wedding cake... 500 eggs, 145 pounds of sugar, 45 pounds of almond paste, smiling chefs, and so forth.

Then came the news that Mr. and Mrs. Junot could be photographed while they walked from the palace to City Hall. But what about photos taken during the ceremonies, the working press wanted to know. That had of course been arranged for... handout style. An official photographer had been selected by Princess Grace. He was Howell Constant, an old friend from her Hollywood days, and only he would be permitted to take pictures inside the palace walls. The films would be developed as rapidly as possible and every member of the press would be given six photos... the same six photos... and nothing more. It meant that anyone who could have somehow gotten past the palace walls with a tie-clip Pentax could have cleaned up. No one seems to have managed it, so the press got together and formed four main groups: Germans, Italians, British, Others. The Americans must be considered part of the others because there just weren't enough of them to go around.

The French press seemed to have gotten lost somewhere around the first handout.

Now, the Oggi people have no love for the Gentle people, and the Bunte reporters don't usually speak with the Wochenend reporters, but there is a kind of brotherhood in journalism... like there is among second lieutenants... and so they went off in search of a story. The Italians bribed taxi drivers, bartenders, croupiers, shopkeepers, hotel concierges, anyone who could tell them anything about the wedding. Admittedly they didn't get very much because none of the people they bribed were on the guest list. Some Germans put out word that they would pay up to 20,000 deutsche marks (about \$15,000) for any unofficial pictures taken during the ceremonies, parties, balls, anything at all. Most of the money went unsent. The British journalists traipsed off en masse to David Niven's house, and they might have come up with the only scoop of the week... Gregory Peck backed into Cary Grant's car. There was no damage, no one was hurt, everyone remained friends, and the British immediately sent cables to Fleet Street.

Official channels weren't totally turned off, just mostly useless. Whenever the "spokesman" was asked about honeymoon plans, the answer was that only Philippe knew and he wasn't telling anyone, not even Caroline.

The Italian team headed down to the harbor to check out the yachts, found the Niarchos boat there and tried to get something out of the crew. When the crew wouldn't talk, the Italians guessed Niarchos was in on it. They wired Rome and Milan. The Germans took the Italian lead and expanded on it, pinpointing the honeymoon in the Greek island of Mykonos. They wired Frankfurt and Munich. They said it wasn't the Niarchos boat but another one, and they even named it.

The British were still reliving the Peck/Grant car crash, so they didn't come up with a honeymoon story at all, which therefore put the heavy betting on the Germans. One learns quickly that German reporters come up with better rumors than Italian reporters, even if both fall short of the thorough reporting behind British rumors. That's not a comment on the state of journalism in Germany. Italy or England. It's merely an observation about rumors.

'Balmy Night'

There were more handouts. Some of them intriguing enough as to include "the night was balmy, the moon was full," in spite of the fact that it wasn't. Then there were phone calls from the "spokesman" explaining that Mr. Junot was not staying in the palace with Princess Caroline before the wedding. Whether anyone actually asked that question is hard to say, but the "spokesman" wanted to make certain all the journalists got it right. "After all," came the reason, "the press hasn't always played fair with Princess Caroline." It's true that some reporters have made headlines out of nonsense. She would go to dinner with a guy and they would write about a romance. She took her bikini top off on a boat and along came a helicopter with a photographer. The girl hasn't exactly grown up in a private world. Again the "spokesman" insisted, "no, the press hasn't always played fair."

And so they got married. The bride wore white. The groom was nervous. Everyone got their free press kit and their six photos. But then, just down the beach in Nice, at almost the same time, Maurice Brocard wed Marie-France Gaillard. The bride wore white. The groom was nervous, and anyone who showed up could have taken all the photos they wanted.

PEOPLE: The American Who's Who Of the Lecture Circuit

Jack Anderson receives at least 10 times as many requests to speak as he can accept. Civil rights activist-comedian Dick Gregory makes up to 200 speeches a year. And fees by several top lecturers range from \$2,000 to \$13,000, plus expenses. The information is part of a survey by the International Platform Association, the professional group of the lecture business. The group says that the most sought-after speakers, in alphabetical order, are: Anderson; talk show personality Dr. Joyce Brothers; former President Gerald Ford; television host David Frost; Gregory; commentator Paul Harvey; columnist James J. Kilgore; former Secretary of State Henry Kissinger; consumer advocate Ralph Nader; former Secretary of the Treasury William E. Simon; and advice columnist Abigail Van Buren. The list does not include current political officeholders.



Vanessa Redgrave

Actress Vanessa Redgrave, champion of radical causes, announced in Manchester, England, that she will make her third attempt to win a seat in Parliament. Miss Redgrave, who received an Oscar this year for her performance in "Julia," will contest a by-election in Manchester July 13 for the tiny Trotskyist Workers' Revolutionary Party. Four other candidates are in the running.

President Carter's mother Lillian and brother Billy have thrown their political weight against cousin Hugh Carter in apparent retaliation for his book on the family, "Malcolm (Chicken) Wishard, a peanut farmer running against Hugh for the state Senate seat he has held since 1966." Lillian and Billy have given him their backing. He said he also expects financial support from them. Hugh Carter called the show of support "underhanded." He was strongly criticized by Miss Lillian and Billy for writing "Cousin Beedie and Cousin Hol," an unflattering book about the Carter family. He said, "Aunt Lillian hasn't spoken to me since the book was published."

Comedian Don Adams' 26-year-old wife is suing him for divorce because, she says, he is a "chronic gambler" who loses up to \$8,000 a month. Judy Luciano Adams was granted a restraining order in Santa Monica, Calif., Superior Court that bars Adams, 52, from disposing of any of their community property. This was necessary, according to Adams, "because six days each week, Tuesday at poker and Wednesday through Sunday at the racetrack," and loses an average of \$4,000 to \$8,000 a month.

Mrs. Adams was also awarded exclusive use of the couple's residence in Beverly Hills. The couple were married in 1977 after living together for five years. They have no children.

Actress Elizabeth Taylor has been released from Cedars-Sinai Medical Center in Los Angeles after 10 days of treatment for pneumonia, a mild form of pneumonia, a hospital official said.

In Wimbledon, England, Billie Jean King, the "old lady" of tennis, says that athletes are discounted too young, too soon, and she insists on being counted. "People tend to give up on athletes when they turn 30 and that irritates me," said Miss King. "I don't like to give up on anybody. I wouldn't like to walk into Wimbledon thinking I don't have a chance. I'd rather not be here. At 34 I don't think you're over the hill unless you don't train, or unless your motivation changes. I train harder now than I ever used to, and I feel better about myself than I did 10 or 15 years ago."

—SAMUEL JUSTICE

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MEDAS MURPHY SHOP, Paris, Tel. 672.46.52, Nice, Tel. 55.38.74.

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